

Escrow *FAQs*



What is an Escrow account?

An escrow account is an account in which your mortgage servicer collects funds for your future property taxes, homeowner's insurance, and, if applicable, flood insurance and PMI payments. This account is funded each month when you make your mortgage payment, and your mortgage servicer makes payments out of the account when appropriate.



What is P&I? PITI?

Principal & Interest payment does not include escrows

Principal & Interest & Taxes & Insurance(s) payment includes escrows



How do I know if my mortgage payment includes escrows?

Take a look at your Closing Disclosure you received at closing. The first page of the Closing Disclosure will list if your property taxes, homeowner's insurance, and PMI are included in escrow. If you no longer have a copy of this document, check with your mortgage servicer.



Why am I paying for taxes and/or insurance out of my closing costs if you're collecting for them in my payment?

Any prepaid items listed on your Closing Disclosure are items that were due immediately. If your property taxes or homeowner's insurance premium is due within 60 days of closing, it must be paid up front. The initial escrow deposit, and continued escrow payments, are to collect for future payments.

? What is an escrow review/analysis?

Each year, your mortgage servicer will analyze your escrow account, property tax bill, and homeowner's insurance to determine if an adjustment needs to be made to your escrow payment.

? I received a property tax bill. What should I do?

If your mortgage payment includes escrows for your property taxes, you only need to keep a copy of the tax bill for your records. Your mortgage servicer will receive a copy as well, and pay the taxes in full by December 31st. If your mortgage servicer did not receive a bill, you will be contacted and asked for a copy.

? I received notice from my insurance agent that my annual premium is due. What should I do?

If your mortgage payment includes escrows for your homeowner's insurance, no action is required on your part. Your mortgage servicer will receive a copy as well, and pay the premium in full when it comes due. If your mortgage servicer did not receive a bill, you will be contacted and asked for a copy.