

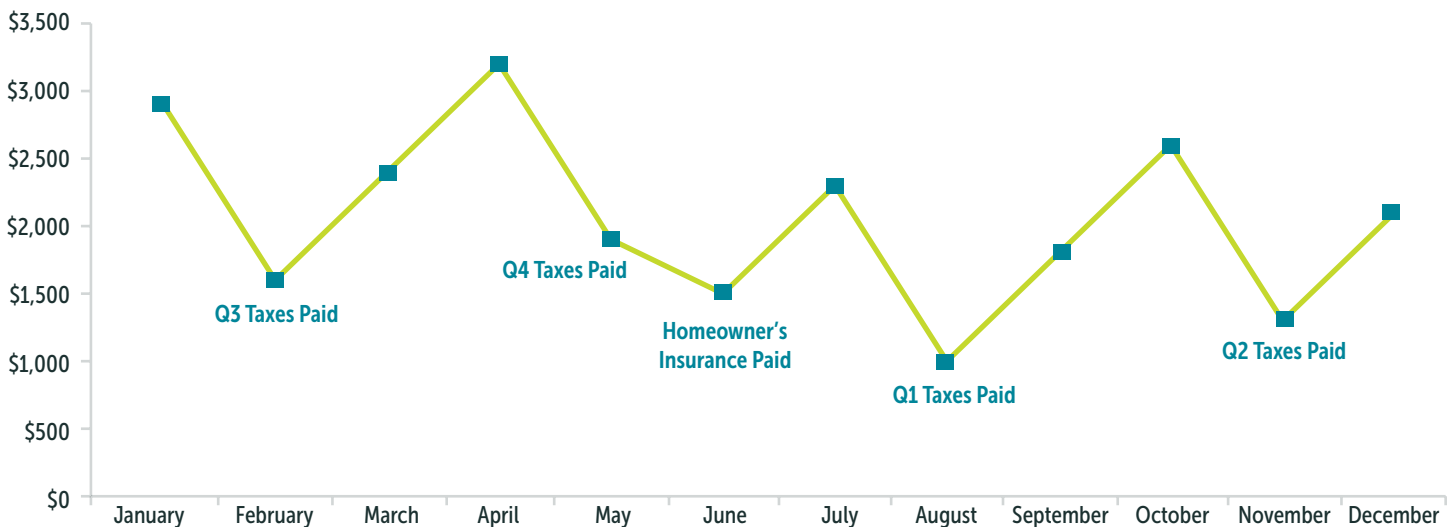
Escrow accounts, also known as impound accounts, are accounts managed by your mortgage servicer to cover reoccurring non-mortgage expenses like property taxes and homeowner's insurance. Each time you make a mortgage payment, a portion of that payment is deposited in the escrow account*. Then, when payments are due for any expense being escrowed for, your servicer pays these bills from your escrow account.

You pay your homeowner's insurance premium in full at the beginning of each policy year, so your first year's premium will be due at the time of closing. Then the premiums for following years will be paid from the escrow account.

At the time of closing, you will also bring a few months of property tax** and homeowner's insurance payments. This will be the first deposit in your escrow account and will help buffer against increases in your property taxes and insurance premiums.

Since most property taxes are due quarterly, your escrow account balance may fluctuate through out the year, depending on your payment cycle.

Note: *Requirements for payments to escrow will be governed by mortgage documents.



Note: Escrow information based on an annual tax rate of \$8,400 and an annual insurance premium of \$1,200. These numbers are for sample purposes only and may not match your property tax or homeowner's insurance situation.

Contact us with all of your mortgage questions!



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