

Homeowner's Questions and Answers Concerning Escrow Accounts

Q: What Is An Escrow Account?

A: An escrow account is a financial agreement between a taxpayer and lender (Bank, mortgage or funding company) for payment of annual taxes on your property, home or business.

Q: What Does An Escrow Account Cover?

A: An escrow account normally covers the general property tax due in January and the school tax due in September.

Q: Is The Water Rent Bill Covered By Escrow?

A: In most cases, escrow does not cover the annual water rent bill. This bill should be paid by the taxpayer.

Q: Does An Escrow Account Cover Just Taxes?

A: Many escrow accounts include other items such as fire, title, life or homeowners insurance.

Q: What Should I Do If I Have A Question About How My Escrow Account Is Calculated?

A: We suggest that if you have questions about your escrow account or payments to please call your bank or mortgage company.

Q: Do I Receive A Copy Of The Bill If I Have An Escrow Account?

A: No. The bill goes directly to the bank or mortgage company for payment.

Q: What Should I Do If The Bill Comes To Me?

A: You should quickly send the bill to your bank or mortgage company with a letter asking why they did not request your bill.

Q: How Does The Tax Office Know Who To Send The Bills To?

A: Before each collection, our office requires from each bank or mortgage company an up-to-date list of all escrow accounts. We need a new list for every collection because some people may satisfy their mortgage or re-finance with another lender.

Q: If I Have Paid Up My Mortgage And Don't Receive A Bill What Should I Do?

A: Call your former bank or mortgage company and ask if they have incorrectly asked for it. This is a very common occurrence.

Q: Should I Notify You If My Mortgage Is Paid Off?

A: Yes. This may prevent our office from sending the bill to your former bank or mortgage company. Often the lending institution's records are incorrect and do not reflect the fact that your mortgage is paid off.

Q: Is The Bank/Mortgage Company Responsible For A Penalty Due To Their Negligence?

A: Perhaps. You should review the terms or conditions of your agreement.

Q: If I Have Sold My Property And Receive A Bill, What Should I Do?

A: Forward it to the new owner(s). If you do not have the new owners address, send it to our office with a note of explanation. (Please mark on the envelope *OPEN IMMEDIATELY*)