

Understanding

YOUR MORTGAGE ESCROW ACCOUNT



Insurance is confusing enough, but add a Mortgage Escrow Account to the formula and you simply can't figure it out! Bankers find fault with the insurance folks, and insurance agents blame the bankers. What a deal.....!

How an Escrow Account Works:

There are two parts of your mortgage:

1. Principal and interest. This is the part that pays off the mortgage.
2. Escrow account with funds set aside to pay homeowners insurance and taxes. If you have a fixed rate mortgage, #1 can't be changed. #2 changes all the time.



If your homeowners insurance is set up with us as an escrow billed account, either Loring & Company or your insurance company will send your annual bill to your mortgage company. You usually receive copies of these bills so you will know if they get paid or not.

Your mortgage company always gets a copy of your insurance policy with the appropriately worded mortgage clause attached.

Tips for Dealing with your Escrow Account:

- ✓ Periodically request an *escrow analysis* from your mortgage company.
- ✓ Make certain that we, as your insurance agency, have the *correct loan number*. The banks seem incapable of matching our policy to your account without it.
- ✓ Help us determine *where to send* your insurance materials. Seems the mortgage companies' insurance centers change daily. Plus, this address will likely be different than where you closed the loan.
- ✓ Inform us immediately if your *mortgage is sold* to a different mortgage company.
- ✓ Keep your *mortgage company informed* of all insurance changes well in advance of your policy renewal.

If you have an issue with your escrow account, we'll be glad to help you resolve it, even if it's the mortgage company's problem. We are committed to providing you the excellent service you're accustomed to receiving from Loring & Company.

What's in a name? When it comes to insurance.....Everything.

