

## Paying too much on impound payments

Monthly impound payments, or *escrow* account payments, vary each year based on changes in property taxes and *homeowners insurance*. It's good practice to review these annual **escrow** statements for common loan servicing mistakes, such as:

- missing a tax payment; and
- allowing the balance to exceed the limits allowed under the *Real Estate Settlement Procedures Act (RESPA)*.

If you believe your loan servicer has lost or miscalculated a payment, send a letter to your servicer – separate from your payment – and label it a “qualified written request under Section 6 of RESPA.” Along with the complaint, include your loan number, name and property address.

Escrow statement mistake-free? See if you can lower your escrow payments. One way homeowners can adjust their escrow payments is to apply for a property tax reduction. To do so, the homeowner must submit:

- a “Decline in Value” form to the county assessor; and
- evidence the market value is lower than the assessed value, such as an analysis of comparable properties recently sold or order an appraisal from a real estate appraiser.

Another way to reduce escrow payments is to obtain a lower homeowner insurance rate. Shop different insurance companies and look for insurers that offer discounts such as savings for having certain security systems and multi-policy discounts. Get quotes from at least three different companies before choosing one.