



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 you can adjust your escrow payment is to apply for a property tax reduction. To do so, you will need to submit:

- a “Decline in Value” form to your county assessor; and
- provide evidence the market value is lower than the assessed value, such as an analysis of comparable properties recently sold.

Another way to reduce escrow payments is to obtain a lower homeowners 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.