

# Escrow Waiver

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## Can I remove my escrow account?

Options to remove an escrow account from a loan vary based on factors such as state laws, investor guidelines, loan type, property type and Loan-to-Value (LTV) ratio.

If the loan qualifies, tax payments and homeowners' insurance premiums may be removed from escrow collection. However, there are certain types of payments that must be escrowed:

- Private Mortgage Insurance (PMI) must be paid through your escrow account.
- Customers who reside in a flood zone and are required to have flood insurance may not be able to waive an escrow account.

## What are the requirements to receive an escrow waiver?

Waiver eligibility is dependent on several factors but generally, to qualify for an escrow waiver your loan must be a conventional loan (meaning FNMA/FHLMC) and meet the following requirements:

- Less than or equal to 80% Loan-to-value ratio
- No delinquencies within the past 12 months, and depending on your investor, no 60-day delinquencies within the last 2 years
- No loan modifications
- No defaults on previous escrow waivers – this means if you previously had any escrow collection waived, you paid that item (tax or insurance) in a timely manner
- No escrow disbursements scheduled in the upcoming 45 days
- You cannot have a negative escrow balance
- The loan must be at least 12 months old from the date it was originated.

There may also be state-specific laws regarding when and how escrow waivers can be granted, so additional requirements may apply. Please contact us to confirm your loan's eligibility.

## Is there a fee to waive my escrow account?

There is a one-time processing fee of 0.25% of the unpaid Principal Balance. If we confirm your loan meets all requirements, you will be mailed a letter specifying the calculated fee and how to make the payment by phone, electronically, or by mail.

## What is the timeline to remove my escrow account?

It will take us five business days to evaluate your loan and confirm eligibility. You will then be mailed a decisioning letter. If you want to proceed, within 30 days of receiving the required fee, we will remove the escrow collection and mail you a letter confirming completion.

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