**SETTING UP IMPOUNDS**

The chart below shows how many months of tax impounds are generally required, should you chose to have an impound account with your loan. As escrow holder, we follow the impound requirements as established by each individual lender and we as escrow holder are responsible to follow the lenders instructions related to impounds. We do not establish the impound amounts and the chart provided is for use as a general guideline only.

|  |  |  |
| --- | --- | --- |
| **Funding Month** | **First Payment** | **Impounds Collected @ Closing** |
| November | January | 4 Months Plus 1st Half Paid |
| December | February | 5 Months Plus 1st Half Paid |
| January | March | 2nd Half Taxes Due Plus 2 Months |
| February | April | 2 Months |
| March | May | 2 Months |
| April | June | 3 Months |
| May | July | 4 Months |
| June | August | 5 Months |
| July | September | 6 Months |
| August | October | 7 Months |
| September | November | 8 Months |
| October | December | 1st Half Taxes Due Plus 3 Months |

**Hazard Insurance Policies**

A purchase transaction requires the 1st year's premium to be paid in advance at the time of closing. You will also be required to have a 2-months reserve to be deposited into the Escrow Impound account.

For a refinance, there must be 6-months remaining on the existing hazard insurance policy. If there is less, you will be required to pay a full year's premium at the close of Escrow, plus 2-months reserve to be deposited into the Escrow Impound account.

NOTE: As escrow holder, we follow the insurance requirements as established by each individual lender and as escrow holder are responsible for following the lenders instructions related to insurance. We do not establish the requirements and the above is provided for use as a general guideline only.