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.