

MONTHLY IMPOUND OF PROPERTY TAXES AND HOMEOWNERS
HAZARD INSURANCE IN MONTHLY MORTGAGE PAYMENT

PLEASE CHOOSE:

ESCROW SET UP _____ I choose to have an escrow account set up with my mortgage servicer for the collection of monthly pro-rata contributions made along with my principal and interest payments, such contributions to be allocated to an escrow account for the purpose of scheduled future payments of real estate taxes and homeowners hazard (and flood, if applicable) insurance.

I understand that the mortgage servicer will provide me with an accounting statement of this escrow account twice per year.

According to the banking regulations of the State of California, the mortgage servicer will pay interest to this account on the average annual funds at an adjustable rate, which rate is currently two (2) percent.

WAIVE ESCROW _____ I understand that my selected loan program allows me to not include monthly impounds for an escrow account for scheduled future payments of real estate taxes and homeowners hazard insurance. I accept the responsibility to make these payments when due, and agree to accept the terms and conditions of the mortgage servicer if I default or fail to make those required payments on a timely basis.

I acknowledge that I will have to pay a fee at time of closing equal to .25% of the loan amount to waive the mortgage servicer's monthly collection of impounds.

ESCROW WAIVER FEE NOT APPLICABLE: _____

ACCEPTED, UNDERSTOOD AND AGREED TO AS EVIDENCED BY MY
SIGNATURE BELOW.

Borrower

Date _____

Borrower

Date _____