

Escrow Account Application (Taxes and Hazard Insurance)

A tax and insurance escrow account ensures that your property taxes and hazard and flood insurance are always paid on time and allows you to spread these expenses over an entire year. Madison Management Services will collect funds from you each month and place them into a special account. When your taxes and insurance premiums are due, we will pay them from this account. An escrow account is an easy way to **eliminate the stress and worry of paying your taxes and insurance**.

IMPORTANT: All borrowers on the loan must sign this form. We will send you a confirmation letter indicating that we have accepted your application and when we will start collecting these funds.

Provi	de the following information:			
Loan	Number:			
Today	y's Date://			
Chec	k <u>one</u> of the boxes below:			
	interest prescribed by the terms of the N TAXES, HAZARD INSURANCE AND	We, the undersigned authorize Madison Management Services, LLC to collect, in addition to principal and erest prescribed by the terms of the Note, a monthly amount sufficient to pay for the PROPERTY AXES, HAZARD INSURANCE AND FLOOD INSURANCE AS APPLICABLE. If one of these items es not qualify, Madison Management may setup the Escrow Account for the remaining item(s).		
	I/We, the undersigned authorize Madison Management Services, LLC to collect, in addition to principal and interest prescribed by the terms of the Note, a monthly amount sufficient to pay for the PROPERTY TAXES ONLY.			
		e, the undersigned authorize Madison Management Services, LLC to collect, in addition to principal interest prescribed by the terms of the Note, a monthly amount sufficient to pay for the HAZARD JRANCE ONLY.		
	nust provide copies of your current ins nt and make sure that your payments a	surance declaration and/or tax bill(s) for us to establish the escrow are properly applied.		
to the supple	instructions provided above. Furthern	Management Services, LLC to establish an escrow account according nore, I/we understand that I/we am/are responsible for payment of any re billed to me/us, and Madison Management will not disburse funds ach assessments.		
Signa	ture:			
	Borrower	Co-Borrower		
Printe	ed Name:			

Fax Toll Free: (877) 563-4161

Mail to: Madison Management Services, LLC, Escrow Dept., 275 RT 10E, Suite 220-282, Succasunna, NJ 07876

Questions? Call us Toll Free at (877) 563-4164.



Frequently Asked Questions

Important Qualification Criteria

In order to qualify for an escrow account, ALL of the following must apply:

- Your loan payments are current
- Your loan cannot be in foreclosure or your cannot be in active bankruptcy
- Any negative escrow balance (from a previous escrow account on your current loan) must be less than \$250
- Your loan cannot have delinquent property taxes outstanding
- > There must be no tax and/or insurance payments due in the next 60 days
- Your hazard/flood insurance must be a voluntary policy and not a forced placement of insurance by the lender

Why should I set up an escrow account for my taxes and insurance?

A tax and insurance escrow account allows you to set aside money each month for these inevitably very large expenses and ensures that there are sufficient funds to pay these very important bills. An escrow account is a little peace of mind in a hectic world. You will have to pay a little more each month in addition to your regular mortgage payment, but the money will be used to pay future tax and insurance bills.

When will my account be set up?

Assuming your account meets all of the criteria listed above; the escrow account should be set up within 3 weeks of receipt of your application. We will send you a letter confirming the establishment of the escrow account and you will see the request for the first escrow payment on your regular statement.

Does Madison Management collect funds in the escrow account for anything else?

We collect funds only for your tax and insurance obligations plus a small cushion for inevitable increases in tax burden or insurance premiums. Your escrow account is reviewed annually to ensure that the amount we collect is appropriate. Therefore, the amount we collect for taxes and insurance may go up or down depending on the amounts we actually disperse from the escrow account.

Where can I find my loan number?

Your loan number is located on your monthly statement. If you have misplaced your statement, please contact one of our Specialists toll free at (877) 563-4164 and we can provide you with your loan number.

Can Madison Management pay my property taxes through the escrow account while I pay the insurance premiums myself?

Absolutely. You can direct Madison Management to pay only your property taxes, only your property insurance premiums, or both. Just check the appropriate box in section 2 of the application. If you decide to pay either the taxes or insurance premiums yourself, you will be solely responsible for these obligations.

Can I close my escrow account at a later date?

Yes, you can always change your preferences regarding your escrow account. In order to close your account, please complete the Escrow Deletion Request form located on the MadisonManagement.net website and fax it to our service center.

Do you have any more questions?

If you have any questions, please call us toll free at (877) 563-4164. One of our Specialists will be happy to answer your questions or provide you with more information.