

## STEWART BRIEF

# The Tax and Insurance Impound Schedule

A tax and insurance impound account is an account that can be set up with your new home loan. This will pay your property taxes and/or insurance. The account may be optional or required by the lender.

When the tax and insurance impound account is first set up, a deposit of two to six months of property taxes and generally two to three months of insurance is placed into the account. This is known as the impound deposit.

At the time the loan is paid in full, the lender is required to forward the balance of the impound account to the owner within 30 days.

First installment – July 1 through December 31  
Add two months for standard loans

Second installment – January 1 through June 30  
Add four months for government loans

JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
July 1 Beginning of the fiscal tax year		Sept. Tax bills mailed		Nov. 1 First installment due	Dec. 10 Installment delinquent		Feb. 1 Second installment due	March 1 Assessment date	April 10 Second installment delinquent		

**Note:** Owner must own and occupy property on 1<sup>st</sup> of March to be eligible for applicable exemptions.

### Tax Impound Reserve Schedule

Closing Months	First Payment	In Escrow – Pay First Installment	In Escrow – Pay Second Installment	Estimated Number of Months Required by Lender to Impound (or as Instructed by Lender)
January	March		Yes	6
February	April		Yes	7
March	May		Yes	2
April	June		Yes	3
May	July			4
June	August			5
July	September			6
August	October	No		7
September	November	No		8
October	December	Yes		9
November	January	Yes		4
December	February	Yes		5

Contact us  
for more information.

Stewart Title of California, Inc.

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