

## Mortgage Servicing: Making Your Payments Count

(NAPS)—A home may be one of the most expensive purchases you will ever make. That's why it's important to know who is handling your payments and that your mortgage account is properly credited.

In today's market, mortgage loans and the rights to service them often are bought and sold.

The Federal Trade Commission (FTC), the nation's consumer protection agency, wants you to know what a mortgage servicer does and what your rights are.

A mortgage servicer is responsible for collecting your monthly loan payments and crediting your account. A servicer also handles your escrow account, if you have one. An escrow account is a fund held by your servicer. You pay money into this fund to cover charges like property taxes and homeowners insurance. The escrow payments typically are included as part of your monthly mortgage payments.

The servicer pays your taxes and insurance as they become due during the year. If you do not have an escrow account, you are responsible for paying your taxes and insurance, and budgeting accordingly.

Within 45 days of establishing an escrow account, the servicer must give you a statement that clearly itemizes the estimated taxes, insurance, and other anticipated charges to be paid over the next 12 months, and the expected dates and totals of those payments.

The mortgage servicer also is required to give you a free annual statement that details the activity of your escrow account.

If your loan has been sold, the new servicer must notify you



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within 15 days after the transfer has occurred. The notice must include the name and address of the new servicer, and the date the new servicer will begin accepting your mortgage payments.

To help protect your investment, the FTC offers these tips:

- Keep records of what you've paid; include billing statements, canceled checks, and bank account statements.
- Review your billing statements. If you have a dispute, continue to make your mortgage payments, and challenge the servicing in writing.
- Read all notices from your mortgage servicer carefully. If the servicer asks for proof of homeowner's insurance, send it in promptly, and keep a record that you sent it.

To learn more, visit [www.ftc.gov](http://www.ftc.gov), or call toll-free 1-877-FTC-HELP.