

AGREEMENT FOR DIRECT PAYMENT OF TAXES, ASSESSMENTS, AND/OR INSURANCE

LENDER:

MORTGAGOR(S):

DATE:

PROPERTY ADDRESS:

LOAN:

The LENDER has agreed to waive the property taxes, special assessments, if applicable, and insurance escrow on the subject account. In consideration for this privilege, the LENDER may charge a fee equal to .25% of the initial loan amount payable by the BORROWER at the time of loan closing. We also understand that based on this consideration by the LENDER, it is our obligation as the BORROWER to:

1. Pay all property taxes in full each year before interest and penalty attaches, with the understanding that within ninety (90) days after the due date, the LENDER will verify with the local Assessor's that all taxes and assessments have been paid in full.
2. Instruct our Insurance Agent to annually provide the LENDER with a copy of our current hazard insurance policy, and flood insurance, if applicable, showing that the subject property is insured in accordance with the guidelines provided by the LENDER, and that all premiums have been paid in full.

BORROWER hereby acknowledges this agreement, and fully understands the following consequences if they fail to comply with this agreement:

- Lender or their agent is authorized to immediately require borrower to establish an escrow account, including payment of required initial escrow deposit, for payment of all future property taxes, assessments hazard and flood insurance premiums and any other required disbursements from escrow.
- Lender will obtain an insurance policy from vendor of it's choice at a potentially higher cost and may also result in reduced coverage than the previous policy.
- The current monthly payment made by the borrower will be increased to cover the monthly escrow payment and the lender will not accept monthly mortgage payments on this account until such time as the initial required escrow deposit has been paid.

BORROWER understands and agrees that once an escrow account is required it cannot be waived, and it must remain in effect throughout the entire term of the mortgage.

Borrower Date

Borrower Date

Borrower Date

Borrower Date