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# CASTLEHEAD INC. ESCROWS

## IMPORTANT PROPERTY TAX INFORMATION

### 1<sup>st</sup> Installment Taxes

July 1<sup>st</sup> – December 31<sup>st</sup> \*\*\* Due and Payable November 1<sup>st</sup>/Delinquent After December 10<sup>th</sup>

### 2<sup>nd</sup> Installment Taxes

January 1<sup>st</sup> – June 30<sup>th</sup> \*\*\* Due and Payable February 1<sup>st</sup>/Delinquent After April 10<sup>th</sup>

To All Real Estate Agents:

This is a critical time of the year, in regards to property tax bills that property owners will be receiving within the next couple of weeks, if not already received, and how it can affect your escrow.

If your seller presently has an open escrow, due to close before the 10<sup>th</sup> of December, it is best to have the first half taxes paid from Seller's proceeds, through escrow.

If the Seller's escrow has not closed by December 1<sup>st</sup>, it is best that the Seller obtain a CASHIER'S CHECK, payable to the County Tax Collector, in the amount of the **First Installment** of taxes, and submit to the escrow holder. The escrow officer will then forward same to the title company for delivery to the tax collector's office. Both the escrow and title company can post the half taxes paid on their files. This should be done before December 5<sup>th</sup> to allow sufficient delivery time and avoid penalties.

In the event the Seller elects to pay the first installment of taxes with a personal check, outside of escrow, have the Seller furnish escrow with a copy of the cancelled check, which must include the tax assessor's parcel number. The tax collector is usually quick to cash tax checks, but slow to post them. If the taxes are not showing paid, at the close of escrow, the title company will hold sufficient funds until they receive proof that the taxes are paid, or until the taxes are posted paid.

In all cases, the Seller should deposit to the escrow holder the bill for the **Second Installment** of taxes, for escrow holder to forward to the Buyer, at the close of escrow. In general, Buyers do not know when taxes are due, especially first time buyers. Unless the Buyer's new lender establishes an impound account for the taxes, these taxes will probably become delinquent as the Buyer will not receive a bill for these taxes.

We receive MANY phone calls regarding delinquent tax notices that the Buyer's receive. Most clients blame escrow and their Real Estate Agent for not informing them of their tax status. The staff at Castlehead, Inc. Escrows will make every effort to get the tax bills from the Sellers and forward them to the Buyers. Please help us keep our clients satisfied. If you represent the Seller, please follow the above steps, and get the tax bill to escrow as soon as possible. We would like to help the Seller avoid duplicate payments, delinquent payments and/or funds held at the close of escrow. If you represent the Buyer, please educate your Buyer regarding tax due dates, and their responsibilities for taxes.