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CASTLEHEAD INC. ESCROWS

IMPORTANT PROPERTY TAX NEWS

Dear Property Owner,

Congratulations on the sale of your home. We appreciate the opportunity to assist you with your escrow needs. One of the ways we strive to assist our customers is through information, which is the purpose of this letter.

Your home sale will take place in property tax season. The property tax fiscal year is July 1st through June 30th. Your property taxes are due in two installments, November and February. The property taxes are delinquent with penalties if not paid by December 10th and April 10th. Property taxes can create a nightmare if not handled properly during your home sale. **We would like to help you avoid duplicate payments and/or delinquent payments.** The following information should be read and followed to avoid any unnecessary financial burdens to you.

First, **IF YOUR LENDER (WHERE YOU MAKE YOUR HOUSE PAYMENTS), PAYS YOUR PROPERTY TAXES:** Please check with your lender to verify when they will pay the taxes. If they will not be paid prior to the delinquent dates above (12/10 and 4/10), the taxes will need to be paid through escrow. If the taxes have already been paid by the lender, please request a written letter from the lender stating the taxes have been paid, and forward this letter to your escrow officer.

Second, **IF YOU HAVE ALREADY PAID YOUR TAXES:** You will need to provide our office a copy of the front and back side of you paid check for the taxes. Many times the tax collector is quick to cash your check but slow to post the payment to the tax roll. We need to provide proof of the taxes being paid to the title company to avoid a request by title to hold unpaid taxes plus penalties at the close of escrow.

Third, **IF THE TAXES HAVE NOT BEEN PAID BY YOU OR YOUR LENDER:** the taxes will need to be paid through escrow. If taxes will become delinquent before the escrow is scheduled to close, you will need to bring to escrow your Tax Bill along with a CASHIER'S CHECK payable to the tax collector for your county, please refer to your tax bill for the name of the collector. The check and bill need to be brought to escrow by December 1st or April 1st. Escrow will forward the check and bill to the title company for their forwarding to the tax collector. This method provides tracking for escrow and for title as to proof of tax payment thus avoiding a duplicate payment or tax payment hold. If the taxes will not be delinquent until after the close of escrow, your escrow officer will be able to pay the taxes from your proceeds at the close of escrow.

Property taxes and their payment verification as we stated earlier, can become a nightmare. However, a few minutes now to read this information and understand your role in getting the taxes paid will remove the inconveniences and any possible double payments or unnecessary delinquent payment penalties.

If you have any questions about your taxes, or are unsure how to proceed, please call our office. We are here to help you.

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