



LOS ANGELES COUNTY  
**CONSUMER &  
BUSINESS AFFAIRS**

Help for Homeowners:  
Understanding Impound Accounts



LOS ANGELES COUNTY  
**CONSUMER &  
BUSINESS AFFAIRS**

## Our Mission

*To promote a fair and vibrant marketplace, we serve consumers, businesses, and communities through education, advocacy, and complaint resolution.*

**Serving Los Angeles  
County Consumers and  
Businesses since 1976**

# Foreclosure Prevention Program

- ▶ Samuel Luquin, Foreclosure Prevention Counselor
  - ▶ [sluquin@dcba.lacounty.gov](mailto:sluquin@dcba.lacounty.gov)
- ▶ Ann Miller, Foreclosure Prevention Counselor
  - ▶ [Amiller@dcba.lacounty.gov](mailto:Amiller@dcba.lacounty.gov)
- ▶ Contact DCBA:
  - [homehelp@dcba.lacounty.gov](mailto:homehelp@dcba.lacounty.gov)
  - [dcba.lacounty.gov](http://dcba.lacounty.gov)
  - (833) 238-4450

# Monthly Payment with Impound Account

- An impound mortgage account, sometimes called an escrow account, is set up by your mortgage lender or servicer to pay specific property related expenses
- Paid monthly with your normal mortgage loan payment
- PITI(A)
- Disbursed throughout each year at certain intervals

Principle

Interest

Property  
Tax

Insurance

Association

# When an Impound Account is Required

- ▶ State or Federal Regulatory authority requires a loan mortgage account
- ▶ A loan mortgage account is, guaranteed or insured by a state or federal governmental lending or insuring agency
- ▶ Borrower misses two consecutive property tax installments
- ▶ Original principal amount of the mortgage loan is 90% or more of the sales price or appraised value
- ▶ Two or more mortgages exceed 80% of appraised value
- ▶ The mortgage Loan is a higher priced mortgage
- ▶ Current mortgage is modified by a lender's home preservation program

# Benefits

- ▶ Budgeting made simpler
- ▶ No need to keep track of due dates
- ▶ No Large lump sum payments





# Escrow Analysis

## Breakdown and Limits

- ▶ Completed Annually
- ▶ Annual Obligation split into 12 months
- ▶ Initial deposit may be required
- ▶  $1/12$  per month
  - ▶ PITIA
- ▶ 2 months cushion



# Escrow Analysis

2023

Principal - \$1,000  
Interest - \$400

Annual Property tax - \$2,500  
Annual Insurance - \$500

\$250

Monthly payment \$1650

2024

Principal - \$1,000  
Interest - \$400

Annual Property tax - \$2,600  
Annual Insurance - \$525

\$260.41

Monthly payment \$1660.41



# Changes in Monthly Payment

- Force placed home insurance
- Increase in property taxes and/or property insurance
  - Property tax due November 10th and February 10<sup>th</sup>
  - Property Insurance paid annually
- Adjustable-Rate Mortgage (ARM)
- Disbursement Error
- HOA Special and Emergency Assessments

# Foreclosure Prevention Services

- The Foreclosure Prevention Unit is designed to help property owners navigate the foreclosure process and explore all options available to avoid foreclosure.
- Open dialogue between property owners and mortgage lenders to ensure the property owner is reviewed for assistance.
- Provide guidance and understanding when mortgage lenders provide options to property owners.
- Individual attention is provided by a Foreclosure Prevention counselor to discuss the details of each property owner's unique situation.



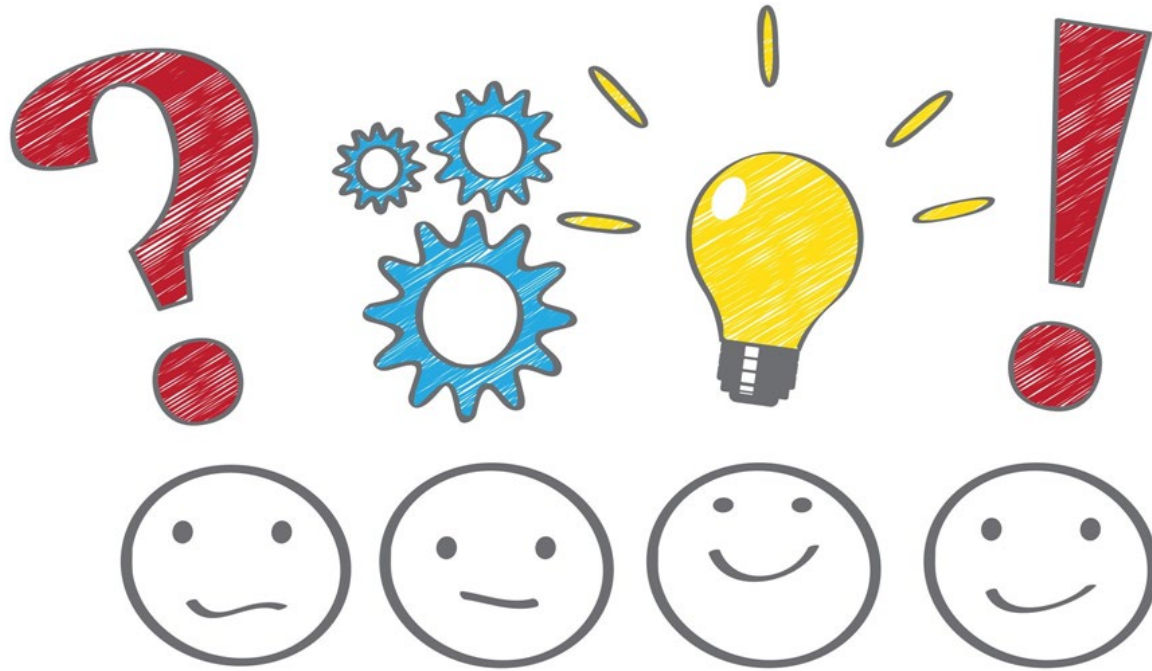
# California Mortgage Relief Fund

- Established to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible property owners
- Up to \$80,000 thousand dollars mortgage delinquencies
- Up to \$20,000 thousand dollars property tax relief
- CA mortgage Relief contact information
- 1-888-840-2594
- [camortgagerelief.org](http://camortgagerelief.org)



# Foreclosure Prevention Unit Contact Information

- ▶ Address: Los Angeles County Hall Records
- ▶ 320 West Temple Street, Room G10, Los Angeles, CA 90012
- ▶ Email address: [homehelp@dcba.lacounty.gov](mailto:homehelp@dcba.lacounty.gov)
- ▶ Phone Number: 1-833-238-4450
- ▶ Office Hours 8:30 AM - 4:30 PM



Questions?