



What Is an Escrow Account?

Learn how escrow accounts and escrow payments work

Escrow accounts allow Freedom Mortgage to pay your property taxes, homeowners insurance, and mortgage insurance when required.

Your escrow account is like a checking account (although we're not a bank or a credit union). You make monthly "deposits" and we use that money to pay your taxes and insurance premiums. Escrow accounts are a convenient way to make regular payments toward these expenses, so you won't need to pay the full costs when they come due.

How your escrow amount is calculated

Freedom Mortgage gets the cost of your property taxes and insurance premiums from your local tax authority and insurance companies. We use this information to estimate the money needed to pay these bills during the upcoming year. We divide this total by 12 to get your monthly escrow payment (typically adding a two-month cushion, as allowed by Federal law).

Each year we perform an escrow account analysis to determine if your payments need to increase, decrease or stay the same. Escrow payments typically change when the amount you need to pay for real estate taxes or premiums changes.

Escrow accounts when buying a home

Homebuyers typically put down between 1% and 2% of a home's price as "earnest money." Earnest money is placed in an escrow account managed by a third party like a lawyer or title company. The money stays in this account until all the obligations and conditions necessary to the sale have been met and the sale closes. Then the money is transferred to the seller. This escrow account is different from the one we use to pay your taxes and insurance.

How to see your Freedom Mortgage escrow accounts details

View escrow details by logging into your online [Freedom Mortgage account](#). Your monthly statement also contains information about your escrow account.



If you have questions about your escrow account, please see our [Escrow Account FAQs](#). You can also call our Customer Care Department at 855-690-5900. Representatives are available to help you Monday through Friday from 8:00 am to 10:00 pm and Saturday from 9:00 am to 6:00 pm Eastern Time.

NOTES & REMINDERS