TAX WORKSHEET

Property Tax Installment vs Annual Escrow Payment Audit

28

AUDIT TAX TIMING

Document whether a taxing jurisdiction bills in installments, whether a discount or fee changes the rule, and how the servicer scheduled property-tax disbursements from escrow.

WHEN TO USE	FEDERAL / PRIMARY REFERENCE
Document whether a taxing jurisdiction bills in installments, whether a discount or fee changes the rule, and how the servicer scheduled property-tax disbursements from escrow.	12 CFR § 1024.17(k)(3) · 12 CFR § 1024.17(k)

Federal baseline to check

☐ When a taxing jurisdiction offers both annual and installment payments with no annual-payment discount and no extra installment charge, Regulation X generally requires the servicer to use installments.

☐ If annual payment earns a discount or installment payment adds a charge/fee, the servicer may choose annual payment to capture the discount or avoid the fee.

☐ The borrower and servicer may individually agree to a different tax disbursement basis or date, provided the agreement is voluntary and the timely-payment requirements are still met.

BORROWER AND LOAN

Borrower name _______________________________	Property address _______________________________
Loan/account number _______________________________	Servicer name _______________________________

Taxing authority options

Installments offered: ______ Due dates / amounts: _______________________________

Notes: ____

Discount / fee test

Annual-payment discount? Yes / No Installment fee/surcharge? Yes / No Amount: $__________

Notes: ____

Servicer schedule

Servicer planned/actual tax disbursement date(s): ________________________________

Notes: ____

Borrower preference

Voluntary borrower-servicer agreement on different basis/date? Yes / No Details: ____________________

Notes: ____

Ledger result

Authority posting / penalty result and unresolved variance: ____________________

Notes: ____

Attachment checklist

☐ Taxing authority installment schedule

☐ Tax bill showing discounts or installment fees

☐ Escrow disbursement history

☐ Copy of this completed template retained for your records

☐ Mailing / delivery confirmation retained if sent formally

Use notes

☐ Obtain the taxing authority's current schedule showing whether annual payment receives a discount or installments carry an extra fee; this fact controls the federal default rule.

☐ List every installment due date and amount, then compare the servicer's actual posting dates rather than comparing only the annual total.

☐ If you agreed to a different schedule, retain the written or other reliable evidence of that individual agreement.

☐ Keep a complete copy of the completed template and supporting records; send copies rather than irreplaceable originals when copies are sufficient.

PRIMARY SOURCES TO CHECK

12 CFR § 1024.17(k)(3) • 12 CFR § 1024.17(k)

Official links: https://www.consumerfinance.gov/rules-policy/regulations/1024/17/