

What is Tax Service?

First American Real Estate Tax Service has been providing property tax information to the mortgage lending community for more than 70 years. Through a network of strategically located offices, we work with more than 22,000 taxing authorities nationwide and report on 15 million property taxes per year.

Strength. Experience. Leadership.

First American provides mortgage lenders with real estate tax information on their portfolio of loans. Mortgage lenders use tax services to ensure that their borrower's property taxes are paid on time and accurately, and to reduce their costs for processing and monitoring the payment of property taxes.

First American offers two types of tax reporting services. *Tax Amount Reporting Service* is available to lenders who maintain impound/escrow accounts from which the lender makes property tax payments on behalf of their borrowers. *Tax Payment Status Reporting Service* is available to lenders when borrowers pay property taxes directly to the taxing authority.

Our Services

Tax Amount Reporting Service

- The process begins when we search each loan that our customer, the lender, places under tax service. This search determines the correct tax identification numbers and the taxing authorities that levy property taxes against the parcel of property covered by the mortgage loan.
- For each taxing authority, we register the mortgage or request tax bill information for all our customer's loans in that taxing authority. We prefer to request the tax bill information in an automated fashion such as cartridge, tape, or diskette, but we can also provide listings as well. If we cannot obtain the actual tax bills or copies of the tax bills, we send a representative to the taxing authority to research the tax amounts due and provide that information to our customers on memorandum tax bills.
- After the taxing authority sends the tax bill or automated billing file to First American, we then identify the tax bills belonging to each of our customers, and forward customized reports to each lender along with automated tax amount files. In this way, our customers receive one standard format to facilitate efficient, accurate, and timely tax payments to each taxing authority.
- In most cases, customers return their tax payments to First American. Lender payments are then balanced, consolidated, and forwarded by First American to each taxing authority. We provide a complete summary of all taxes being paid, along with a check register detailing each customer's payment.

Tax Payment Status Reporting Service

First American also services non escrow/non-impound loans for our customers.

After the end of the real estate tax year, we obtain payment status information from the taxing authority and inform our customers of those accounts that are delinquent. In many cases, we assist our customers by directly contacting the homeowners to pay the delinquent tax. In other cases, the lender will advance the money or create an escrow account for future payments. In this way, First American's reporting helps the tax collection effort and decreases the number of properties that might otherwise go to tax sale.

Our Customers

Mortgage lenders use First American for many reasons. The primary advantage of a tax service is our nationwide network of service centers, each with expertise on the local taxing authorities and their tax collection procedures. This simplifies tax processing and reporting for our customers and gives them the capability to process property tax payments in areas which they have never before serviced loans.

A second reason is cost. First American charges our customers a one-time fee for tax service for the life of the loan. Therefore, our customers know exactly what it will cost to service the taxes on each of their loans. Our customers do not have to hire additional staff to keep track of taxing authority information or schedules, request or identify tax bills, or search for tax delinquencies. And because of our size and automation, we can provide these services at a lower cost than what a lender can do alone.

A third factor is liability. First American provides a 100% accuracy guarantee on the tax information we provide. We will pay any penalty and interest charges that result from our failure to report accurately or on time.

Have a Question?

First American and the taxing authorities share common goals – to have the property taxes paid on time and in the most efficient way for the taxing authorities, property owners, and mortgage lenders. We aim to provide the most timely and accurate tax service possible to our customers. To do that, we need the help and cooperation of the taxing authorities. We know that maintaining good working relationships with the taxing authorities is a critical part of the First American strategy for success.

For further information or answers to your questions, please call your local First American office. We will always do our best to promptly resolve any issues.