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The Hidden Costs of Property Tax Escrow Delays.

Delays in property tax payments—whether due to inefficiency, operational shortcomings, or misaligned priorities—can create financial headaches for homeowners and disrupt the revenue flow for municipalities that depend on these funds to provide essential services.

In recent years, as property values have soared, property taxes have risen in tandem, leading to increased homeowner frustration nationwide. This dissatisfaction reached a peak on Election Day this year, where voters in eight states passed initiatives aimed at providing property tax relief.

From Georgia’s cap on tax assessments to Florida’s inflation-tied exemptions, homeowners are pushing for limits on taxes that reflect unprecedented increases in home values. However, amidst this property tax “revolt,” there’s another growing issue that garners less attention but has equally significant consequences: the impact of delayed property tax payments in mortgage servicing, often caused by working with the wrong tax escrow payment processor.

When mortgage lenders handle property taxes on behalf of homeowners, they typically set up escrow accounts to collect monthly payments, then remit the taxes to local governments in one lump sum. In theory, this process benefits both homeowners and tax offices by ensuring timely payments.

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