

HOMESTEAD OF PRIMARY RESIDENCE EXEMPTION

Homestead or primary residence exemptions are a type of property tax relief that is typically allowed for homeowners who use their home as their primary residence. These exemptions reduce the assessed value of the home on which property tax bills are based. Contact your taxing authority to determine if you qualify to take advantage of the Homestead or Primary Residence exemption. The exemption document only needs to be filled out once, and there is generally a cut-off date in order to be considered for next year's tax exemption. To find out if you are eligible for other exemptions, visit your taxing authority's website.

PAYMENT OPTIONS

If you feel that your escrow account will be short the first year, due to any of the situations listed in this brochure, please review the following options:

- **Pay extra to escrow account:** This can be done on a monthly basis or as often as you wish. This could help decrease the total amount due after your escrow analysis.
- **Pay shortage in full:** After your escrow analysis, you have this option. Please be aware that the shortage may be a large dollar amount.
- **Spread shortage:** Once your escrow analysis has run, the shortage may be spread over 12 months. This would increase your total monthly payment.
- **Contact taxing authority:** You can contact your tax authorities office to discuss options for possibly lowering your tax amount. Please send any tax changes to Gateway's Tax Department.

For escrow account questions, please contact:

CUSTOMER CARE

877.764.9319

TAX DEPARTMENT

Fax: 855.334.1355

Tax@GatewayFirst.com

INSURANCE DEPARTMENT

Fax: 248.710.1620

888.205.1208

Insurance documents can be uploaded

Directly using the following link:

www.ExpressInsuranceInfo.com/3079034



A Gateway to your Property Taxes

IMPORTANT TAX INFORMATION
FOR NEW HOMEOWNERS



244 South Gateway Place | Jenks, OK 74037
877.406.8109 | www.GatewayFirst.com

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Congratulations!

Gateway Mortgage would like to congratulate you on your new loan! We stand ready to earn your confidence throughout all stages of your mortgage loan experience.

The following information is provided to you in order to help prepare for what may come your way in the next year regarding your property taxes.

CAN MY MONTHLY PAYMENT INCREASE?

Yes, your monthly payment can increase upon completion of the annual escrow analysis of your account. An increase in your property's assessed tax value, an increase in your insurance premium or a change of insurance companies could affect your escrow account.

WHAT ELSE SHOULD I KNOW?

Each year, you will receive an Escrow Account Disclosure Statement that highlights the activity in your escrow account over the past year. This statement will display the amount that was actually paid out for insurance and taxes versus the amount that was anticipated to be paid (anticipated amounts are based on amounts paid at closing or amounts paid last year, if available).

If the actual amount of taxes and insurance due is larger than the anticipated amount, there will be a shortage in the account; this will cause an increase in your monthly loan payment.

HOMEOWNERS WHO ARE TAX EXEMPT

Some homeowners are exempt from paying all or certain amounts of property taxes. If this applies to you, please take the appropriate paperwork to your taxing authority to establish the exemption. If approved, your taxing authority will review the information and apply the exemption to next year's taxes.

Once your taxing authority's office has applied the exemption to your property taxes, they will send you the appropriate documentation. Please fax or email the tax exemption documents to our tax department so that we can ensure the new tax amounts are updated in our records.

Tax exempt homeowners should be aware that a home purchased from an owner that is not tax exempt will still need to pay taxes the first year in their home. The tax exemption will not go into effect until the year following approval of the tax exempt status.

Taxes are pro-rated on the Closing Disclosure, which can show a credit from the seller of the property to the buyer. This credit is for the new homeowner to pay the current year's property taxes if they were not already paid at closing.

NEWLY BUILT HOMES

Recently built homes may be taxed only for the land portion of the property. Once the taxing authority evaluates the property for next year's taxes, the taxes will likely increase due to the property being assessed for land and improvements (the home). Since the taxes at closing are estimated for land values only, the taxes due for the first year will be lower than the next (and subsequent years). This situation can cause a shortage in your escrow account during your annual analysis.

PRIOR OWNER WITH TAX EXEMPTIONS

If the previous owner had tax exemptions for which you do not qualify, please be prepared for a tax increase next year. This will likely cause a shortage in your escrow account due to your first year's taxes being based on the prior owner's exemptions. Visit your tax authority's office or website to determine if there are any exemptions you may qualify for and fax or email any changes in your taxes to Gateway's Tax Department.

