



## **Escrow Rule- Effective 6/1/13**

- 1) For higher-priced first lien mortgages on a principal dwelling, lenders must establish and maintain an escrow account for at least 5 years regardless of loan-to-value ratio.
- 2) The escrow account may be terminated when:
  - i. the underlying debt is paid off; or
  - ii. after the 5 year escrow period, the consumer requests the escrow account be cancelled and the unpaid principal balance is less than 80% of the original property value and the borrower is not currently in default.