



Mortgage servicer eBook

Turn property tax confusion into clarity and loyalty



How to effectively communicate with homeowners about their taxes year-round

Welcome

Tax communication and accuracy matter more than ever

Rising taxes put pressure on escrow balances, creating stress for homeowners. In 2024 alone, property taxes typically increased 5.5% nationwide. Forecasts suggest this will continue through 2025, boosting homeowner inquiries and the need for better outreach.

At the same time, property tax servicing has been viewed as a reactive, back-office task. But homeowners now want proactive communication, digital-first access, and clarity.

This shift is an opportunity to exceed expectations. According to the [CFPB](#), nearly half of distressed homeowners were unclear about their options during periods of hardship, and more than a quarter found the process too complex.

Homeowner communication doesn't just affect the homeowner. It shapes the entire servicing relationship.

This eBook explores practical, proven ways to simplify the tax experience for homeowners and servicers. When communication is clear, timely, and automated, it doesn't just prevent complaints. It creates confidence and opens the door to loyalty and recapture.

Let's look at what better tax communication can do.



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Tax moments that warrant communications

The right message at the right time can reduce homeowner stress and prevent costly misunderstandings. These moments don't just justify homeowner outreach – they're also opportunities to educate, build trust, and show up with good service when it matters most.

Many of these interactions can be automated, meeting the expectations homeowners have come to expect in a post-COVID, digital-first environment.

Pre-billing

- Borrower qualifies for exemption
- Confirm borrower payment elections (e.g., Wisconsin)
- General tax education and tips

Billing cycles

- Tax bill released
- Payment due soon
- Tax question follow-up
- Bill payment confirmation

Year-round

- Seasonal or weather event
- Delinquency or tax sale
- Annual 1098 access

- Refund or overpayment notice
- Supplemental bill (water, etc.)
- Projected tax increases
- Projected escrow shortages

Tax accuracy is the foundation for trust

Inaccurate property tax handling can be a nightmare for both homeowners and servicers. No one wants to deal with corrections, penalties, delinquencies or even tax sales. Trust would be damaged on all sides.

Timely, precise tax payments with accurate and transparent reporting are table stakes.

Proactive steps like pre-cycle portfolio cleanup, ensuring the correct legal descriptions, and knowing economic loss dates make a measurable difference.


Examples:

- Legal descriptions: New loans, especially for new construction or apportioned properties, must have accurate legal details. Otherwise, servicers risk payment errors and onboarding delays.
- Duplicate tax IDs: Catching these early prevents manual payment returns and erroneous refunds, while improving automation rates.
- Reporting cutoffs: Missing deadlines could mean taxes won't be reported on time, frustrating homeowners and increasing call volume.

When your processes are seamless, homeowners stay informed, loyal, and likely to choose you down the road.



[Download our busy season eBook](#) →



6 best practices

Tips for homeowner communications

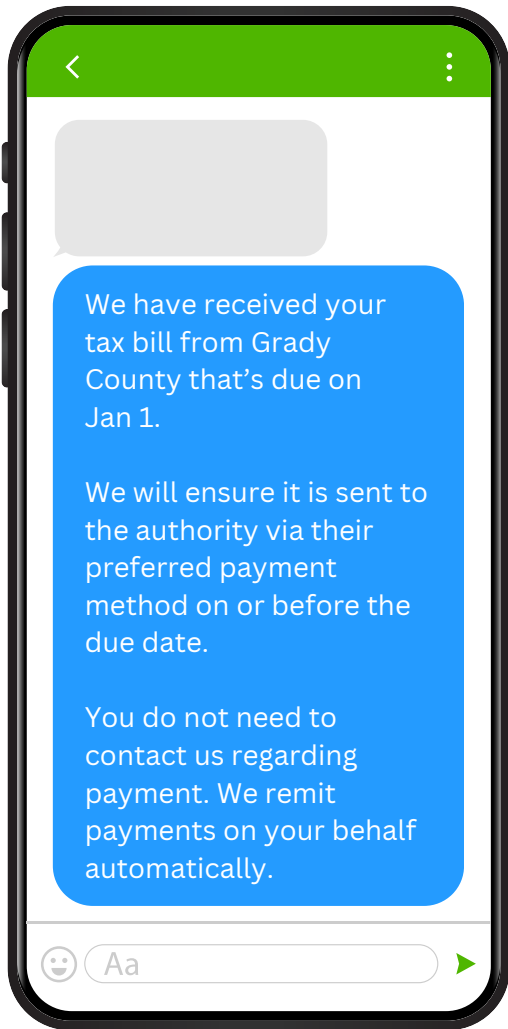


Use automated text messages to save time and give peace of mind

Homeowners appreciate knowing their taxes are being handled without needing to pick up the phone. In the past year alone, more than 31,000 homeowners have opted in to receive proactive SMS updates through our outbound notification program.

Our clients who enable these features have seen a material reduction in duplicate calls each month, saving time, reducing call center strain, and improving the homeowner experience at scale.

Automated texts are one of the most effective ways to cut inbound volume and boost satisfaction, especially during busy tax seasons.



Leverage agency relationships for accuracy

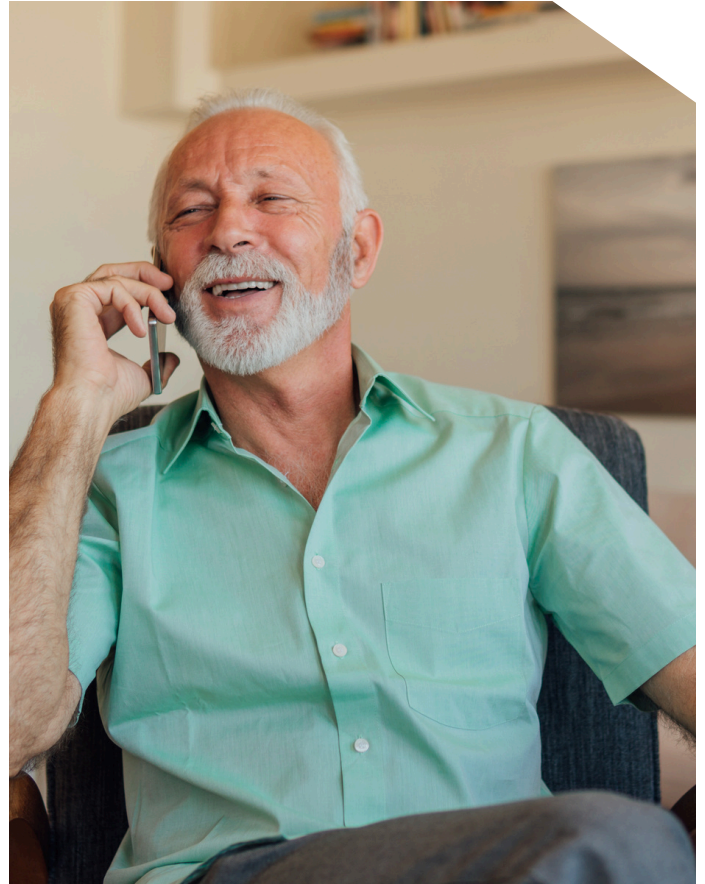
Real-time agency data helps avoid errors and provides early warning on billing or delinquency changes. This allows your team to act before issues arise and protect both homeowner confidence and your internal service level agreements.



Offer scalable call center support

Not every homeowner wants to deal with a chatbot, and we have to ensure our communication channels span preferences and generations. When someone gets a supplemental bill, a delinquency notice, or has questions about exemptions, they often want a real person to walk them through it. Having a knowledgeable support team ready in those moments builds trust and loyalty.

Scalability matters too. When your portfolio grows, you may not have time to hire and train support staff fast enough. That's especially important when you consider the first impression you're making on new homeowners.



Use smart interactive voice response (IVR) systems

Reduce the load on your agents by allowing IVR to answer common homeowner questions, customized by loan number and geography. These systems can be used to address recurring questions, such as refund impacts or updated payment schedules.



Prevent errors and leverage real-time data with Dashboards

Automation and real-time visibility reduce discrepancies, give you the insights you need to know what should be communicated and reduce manual effort.

For instance, with DigitalTax[®] Portal, your team can track payments, exemptions, duplicate tax IDs, and upcoming economic loss dates, allowing them to reduce errors and spend more time on customer care.

Bonus tip

Create a resource hub online

Self-service content like FAQs, tax calendars, and exemption guides can be delivered by text, email, or embedded on your homeowner portal. This offers consistent, easy-to-access support and reduces repetitive calls to your team.

Lean into innovative technology

Cutting-edge tools can analyze homeowner communications, identify patterns, automate common tasks, and personalize outreach based on behavior. It also supports quality control by analyzing call notes for accuracy and consistency, so you don't have to sift through calls to review by hand.



Putting it all together

How call center strategy and tax IVR shape your homeowner experience





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Tax exemptions are one of the biggest call drivers we see because they can mean real dollar savings for homeowners. Common exemption types include Homestead, Veteran, and other programs.

Borrowers want to know why they're still being billed, when they'll get their refund, or whether we've added their exemption to their loan.

Some questions can be handled without a live agent – through well-designed IVR responses and a resource hub. But because most of these questions are specific to their Taxing Authority, calls are unavoidable. Thorough staff training ensures agents can respond with clarity and confidence.

It's a major opportunity to improve the experience and create loyalty.

*With 48M loans under our service, our call center took
1.28M+ calls from borrowers last year.*



Optimize the call center experience (human-centered support)

Tax time often leads to higher call volumes.



Our #1 call center question is, "Were my taxes paid?"

This is easily answered with our DigitalTax Connect[®] technology.

How to reduce pressure while improving service:

- **Automate common inquiries:** Free up agents for complex issues by using IVR systems and self-service tools that address routine questions. Today's homeowners increasingly prefer not to speak to a live agent unless necessary. Directing homeowners to your online resource hub or an intelligent IVR system ensures consistent answers, reduces follow-ups, and allows your team to focus on high-touch, complex scenarios.
- **Train for empathy:** The kindness and understanding of your agents set the tone for the homeowner's entire experience with your brand. Many homeowners reach out during moments of stress – whether it's a surprise bill, a potential delinquency, or confusion about tax status. These situations require more than just answers; they require calm, compassionate service. Investing in empathy training ensures agents can confidently support homeowners while reinforcing trust in your organization.
- **Consider using AI for coaching:** It's not always realistic for managers to listen to hundreds of calls or decipher scattered call notes to identify coaching opportunities. Certain AI can analyze call transcripts at scale, flag common pain points, and help pinpoint where agents need support, whether that's tone, accuracy, or process. It could be a smart way to bring all agents up to the level of your best performer.

Real-world IVR message examples based on homeowner-specific data

These pre-recorded IVR responses are dynamically served to callers based on loan-specific information, making the interaction personal, relevant, and efficient.

Cotality's DigitalTax Connect powers this functionality by integrating tax data into IVR systems for real-time, tailored support.

Clark county, Nevada

Based on your loan number, you might be calling in about a partial refund issued for Clark County, which may have resulted in you receiving a delinquent tax bill for the refunded amount.

We are working on issuing a corrected payment to Clark County to resolve the issue.

Princeton, New Jersey

Based on your loan number, you might be calling in about a recent payment issued to Princeton Township that was lower than the amount due.

We are aware of the situation and are working closely with Princeton Township to get the remaining balance sent out by 11/18/2026.

These messages demonstrate how IVR, powered by accurate tax data, can reduce confusion, eliminate unnecessary live calls, and deliver a smoother homeowner experience.

Communication best practices beyond tax

Smart servicing communication spans more than tax. Here are some fundamentals to apply across the homeowner journey:

Personalize messages using loan and homeowner data

Use multichannel outreach: email, text, IVR, and portals

Write clearly and with empathy

Don't just react — build a strategy across the life of the loan with teams throughout your organization

Align marketing, servicing, and customer experience teams around making a stellar experience

Automate where possible, but keep it human

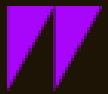
Use data from your satisfaction surveys as a place to start in improving communication



Putting it all together

Taking tax management from cost center to growth engine





Servicing is like a long-term marriage, where communication is paramount.

Dustin Moore
Cotality

From cost center to growth engine

- Great service translates to better satisfaction scores and loyalty
- Track satisfaction, not just complaints
- Recapturing the homeowner's business on their next purchase begins during servicing
- This ongoing, helpful communication is your most visible brand experience post-close

Servicers who nurture this relationship create lasting trust, reduce complaints, and open the door to future recapture opportunities.

Servicers often have two distinct audiences: the homeowner and the client (another bank or investor, if you sub-service on their behalf). Both are watching closely. Your homeowner experience affects them directly – and it also reflects on the brand of the client who trusts you to manage that relationship.

In many ways, servicing is like marriage, while origination is like courtship.

The mortgage origination process may feel like the high-energy beginning of a relationship. But once the loan closes, homeowners enter into a long-term relationship with their servicer, often lasting decades. Like a marriage, this relationship requires ongoing care, proactive communication, and thoughtful investment.



Tax communications audit

Communication channels

- Are you using text, email, IVR, and your portal to communicate about tax timing, payments, and exemptions?
- Is your homeowner portal updated with current tax info, refund timelines, and 1098 access?

Timing and opportunities

- Do you notify homeowners when a payment is scheduled, sent, and confirmed?
- Are you reaching out proactively before supplemental bills, exemption changes, or seasonal shifts?

Content and messaging

- Are your messages clear, concise, and free of jargon?
- Do you provide links to FAQs, payment process details, or a resource hub on your website or in your apps?

Strategy building

- Have you mapped tax-related touchpoints across the homeowner journey?
- Are your servicing, call center, and marketing teams aligned on triggers and messaging?

Start by identifying one high-impact area to improve this cycle – then build from there. It's best to keep it simple. Map your tax communication touchpoints. Improve one message. **Automate one process.**

Use data and real-time tools to scale smarter. Partner with Cotality for better technology and service.

Take the next step

Cotality is built for better homeowner tax experiences

Every tip, insight, and recommendation in this eBook comes back to one goal: delivering a better experience for homeowners. At Cotality, we can help you make that happen.

With 48 million loans under tax service, we've seen just about every scenario, and we've built technology and services to help you stay ahead.

In 2024 alone:

- Our Customer Care Center handled more than 1.28 million homeowner calls on behalf of servicers. From exemption questions to tax refunds to delinquency concerns – we don't just respond – we resolve.
- 52% of calls were resolved without a human using the same tax data provided through DigitalTax Connect®
- We processed billions of dollars in tax payments on servicers' behalf, with 99.9% payment and timeline accuracy

When you work with Cotality, you get:

- Digital-first tools like DigitalTax Connect to support homeowner self-service by connecting tax data to your IVR system
- Call center solutions that reduce volume with high-quality service
- Real-time dashboards to simplify tax cycle prep, response, and more
- Whether you're looking to upgrade technology, outsource call volume, or give your homeowners a more seamless experience, we can help.

Schedule a demo: www.cotality.com | 1-800-225-4707

Whether you manage 200 or 200,000 loans, we can make your tax management more accurate, less stressful, and more efficient.

Every loan matters.

Schedule a demo today →



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