cotality™

eBook

Mastering property tax season without the stress

20 practical tips to help mortgage servicing teams during the busy reporting and payment season

Welcome

About this eBook

The property tax reporting and payment seasons can be stressful for servicers We've compiled expert recommendations that can help streamline your processes, reduce errors, and elevate your borrower experience.

This guide is designed for all property tax professionals, with a special emphasis on Cotality™ clients, but isn't intended to be relied upon as legal advice.

1. Conduct a pre-cycle portfolio clean-up.

Ensure timely, accurate reporting during the busy payment season with prep work.

Things to do:

- Confirm all newly originated loans are contracted.
- Confirm that paid-off loans are canceled.
- Review the suspended report and provide supplemental data where possible.
- Review Legal/Situs discrepancies to cure conflict or provide direction where possible.

2. Get ahead of outstanding liens, such as water and sewer.

Remediate or cure outstanding water or sewer liens in Massachusetts and New Jersey to avoid long-term repercussions. Once these liens are re-levied onto real estate bills, failure to resolve them can lead to payment posting challenges and potential losses.

Cotality provides detailed lien information to our clients through a supplemental reporting process, to allow for resolution prior to sale, preventing loss.

Jory Beech
Sr. Director,
Solutions Engineering, Servicing & Payment Solutions

Renee Held
Principal,
Transformation Specialist

3. Know key tax due dates.

This can reduce borrower inquiries. Familiarize yourself with these critical dates:

- **Early Return Date:** Some authorities require loan servicers or tax services to pay early to allow time for bulk payment processing.
- **Discount Date:** The date by which property taxes must be paid to qualify for any available early payment discounts.
- **Economic Loss Date (ELD):** The last day to pay without loss of discount, or incurring penalties and interest (this date may differ from the Delinquency Date).
- **Due Date (Delinquency Date):** The last day to pay without incurring penalties or interest.

For certain authorities, taxes are paid by year-end, allowing borrowers to claim property taxes on their income tax returns. These cases may not align with a 12/31 Due Date or ELD but are reported and paid for borrower benefit.

Tamara Lynn Burnette
Manager,
Client Account Services

4. Double-check legal descriptions for new loans.

With every new loan, take the time to ensure accurate legal descriptions, especially for new construction, split, or apportioned properties.

Incorrect descriptions can delay the onboarding process, and lead to inaccurate tax tracking, and erroneous payments.

Providing up-to-date legal descriptions for new construction loans, property splits, and to-be-apportioned properties helps ensure smooth onboarding, precise property matching, and correct tax amount reporting. Validating legal descriptions will also help prevent reporting delays, refunds from duplicate payments, and claims.

Steffany Williams
Professional,
Client Account Services

5. Prevent returns for manual payments.

Review and adhere to all published payment requirements when processing payment direct to the taxing authority to ensure payments are posted timely and aren’t returned.

6. Stay on top of the duplicates.

Cotality reviews escrow loans for which the same authority/tax ID is being reported for another escrow loan under service.

Resolving these duplicate tax IDs will result in higher automated reporting rates and reduce duplicate tax payments.

Amanda Thornton
Sr Professional,
Client Account Services

7. Don’t miss new loan cutoff dates.

Make sure loans are boarded with Cotality or your vendor before each reporting cutoff to ensure taxes are reported for upcoming cycles.

Cutoff dates vary by authority and Economic Loss Date (ELD) but typically fall 30-60 days before the ELD.

Crystal Kaiser
Sr Professional,
Client Account Services

8. Make 1098 forms easy to find.

Provide borrowers with clear instructions on all available methods of accessing their 1098 forms across websites, portals, emails, and texts. Making this information and other information easy to find will help them access their forms quickly when needed.

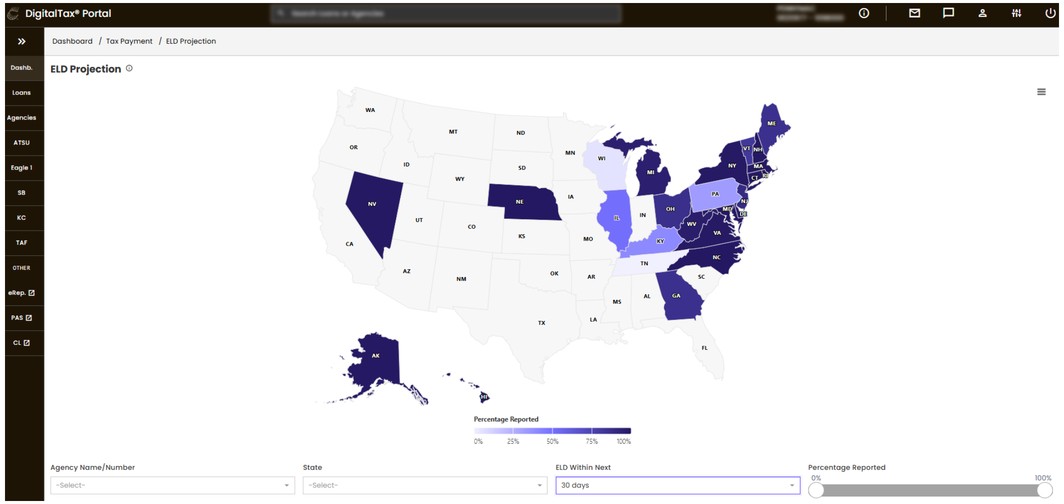
9. Help borrowers understand options early.

Providing this guidance ahead of time ensures smoother processes and fewer complications later. For example, Wisconsin borrowers can benefit from upfront education on the various tax payment options available in the state.

Tanya Cooke
Senior Director,
Customer Experience

10. Keep up with Economic Loss Dates.

Monitor the progress of your tax cycle and upcoming ELD dates to anticipate reporting spikes and ensure timely processing.



Cotality clients should keep up with the interactive 90-day ELD dashboard. Learn more in this video.

Amanda Thornton
Sr. Professional,
Client Account Services

11. Optimize support with intelligent Interactive Voice Response Systems

Consider implementing IVR systems with client and loan specific data that customers would otherwise have to get from a live agent.

These can handle common borrower questions related to property taxes, such as payment schedules or tax amounts due. Automating these allows your call center staff to focus on more complex issues, improving both efficiency and the quality of service.

It's ideal to set this up in the slower months, which pays off when your calls start rolling in.

Also, Cotality clients can get the tax data with our DigitalTax Connect® product.

Ryan Hart-Predmore
Director,
Client Success Mortgage Solutions

12. Delight borrowers and prevent phone calls with automated text messages

Automated text messages to opted-in borrowers provide updates on tax payments and service statuses. They appreciate staying informed, reducing inbound calls and freeing you up for other tasks.

Like an IVR system, this requires planning during the slower months, and the loan data is available to Cotality clients through DigitalTax Connect. We also leverage this technology for our Call Center clients.

Dustin Moore
VP, Product Marketing,
Residential Tax

13. Double-check your vendor contacts.

Keep your vendor contact lists updated to ensure you're reaching the right person or team without delays. It also helps to double-check that you're reaching out to the correct team for any issue and get in touch early to confirm the right contacts.

This small step during slow times will save valuable time when things get busy.

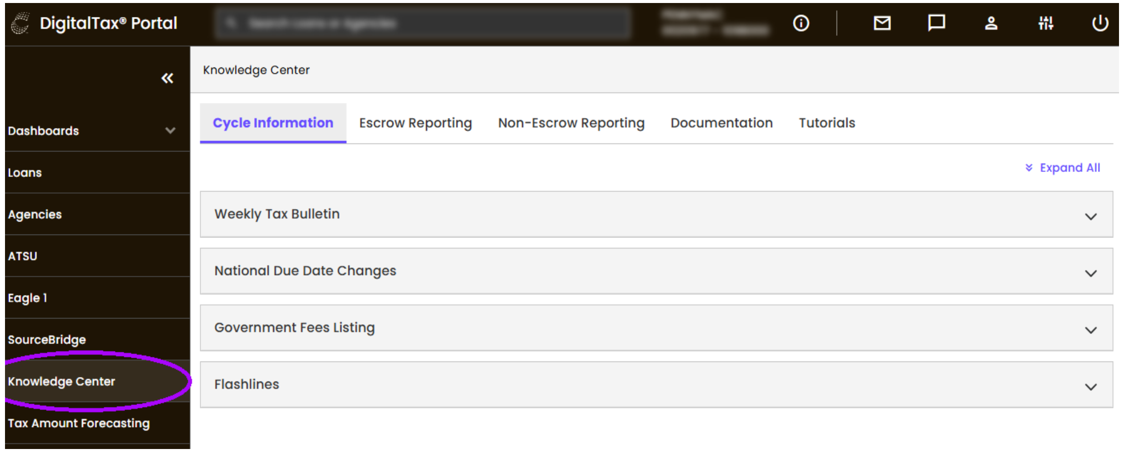
Cotality clients can always reach out to their Client Account Manager for help.

Christine Weakland

Professional,
Tax Authority Management

14. Keep up with critical authority changes and updates to avoid missed deadlines.

It's crucial to stay on top of critical authority changes, due date updates, and more — especially in areas affected by disasters.



For Cotality users, we curate all of this in our Knowledge Center and send Flashline emails. Learn more in this video.

Amber Fuller

Principal,
Product Management

15. Understand Wisconsin options.

In Wisconsin, borrowers choose from three payment options at closing:

- **December Co-Pay:** A check covering the prior tax year amount is sent to the borrower, typically payable to both the borrower and the tax authority.
- **Full-Year by 12/31:** The entire tax amount is paid directly to the tax authority by December 31.
- **Full-Year by 1/31:** The full amount is paid directly to the tax authority by January 31.

Cotality clients have two additional options:

- **Split Installments Starting 1/31:** The first installment is reported and paid by January 31, with the remaining installments paid as they are due through the year.
- **Split Installments Starting 12/31:** The first installment is reported and paid by December 31, with the remaining installments paid as they come due.

Jenelle Rosano
Solution Sales Director,
Mortgage Solutions

Five additional tips for Cotality clients

16. Ensure all staff members needing access to the DigitalTax® Portal can log in and navigate it before the busy season, preventing delays.
17. Cotality receives information from various taxing authorities electronically, so there's no need to send in current tax bills.
18. Direct Pay Tax Amount Reporting (TAR) occurs when there's limited time to remit payment to a taxing authority before the due date. In these cases, payment should be sent to the authority rather than through Cotality.
19. Leverage the TAR calendars in the DigitalTax Portal to manage team coverage during the holiday season and assist with PTO scheduling.
20. We have nearly 20 dashboards for near real-time visibility into your portfolio. Explore these dashboards to gain near real-time insights into your portfolio, and stay tuned for additional enhancements coming soon.

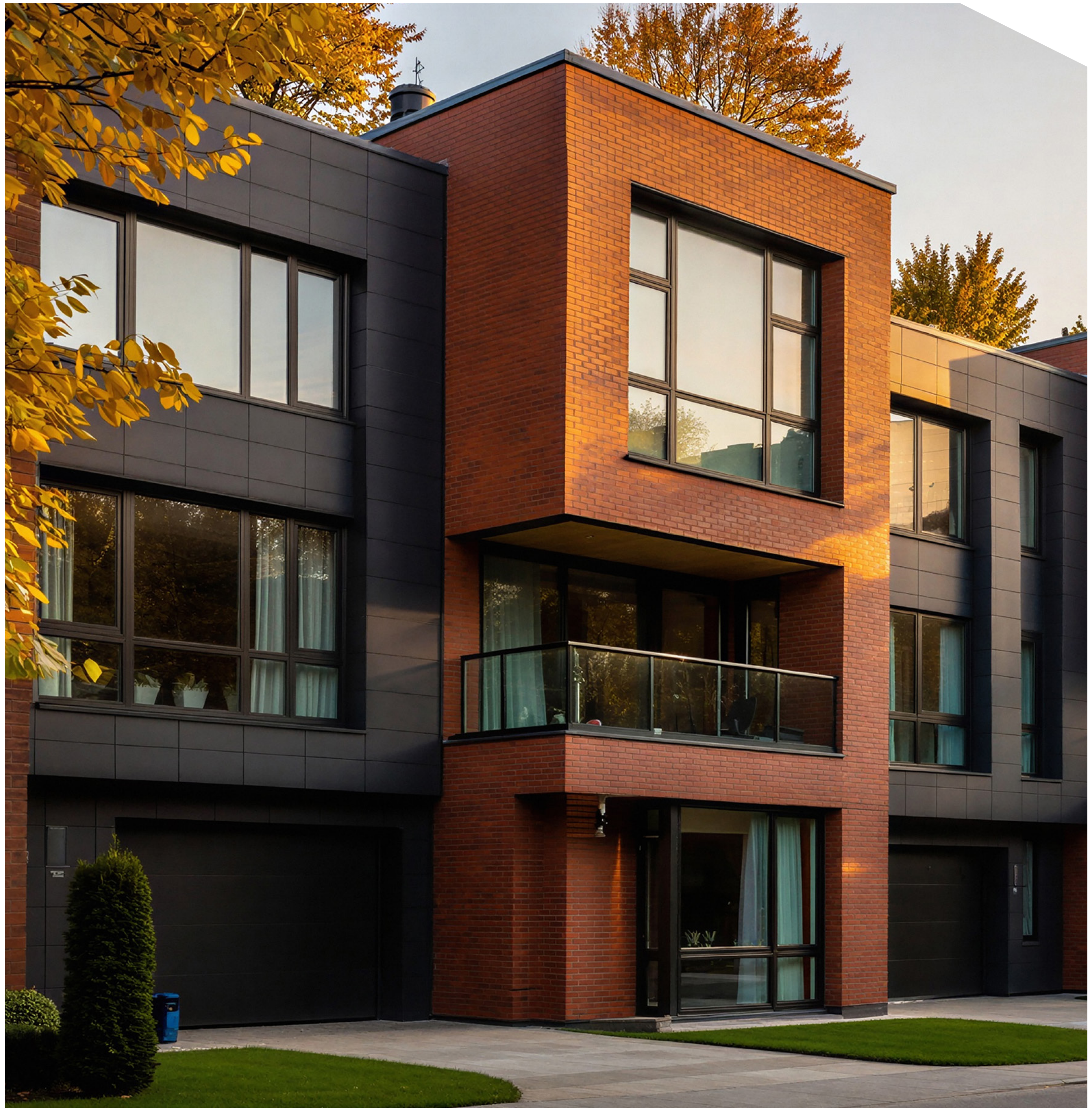
About Cotality

Cotality leads the market in Tax Solutions, trusted by the top 23 residential servicers nationwide and over 49 million loans under tax service.

We consistently invest in workflow improvements and advanced technology to improve quality, create delightful borrower experiences, and boost efficiency.

Every loan matters — because behind each one is a family and their home.

Learn More



Not a Cotality tax solutions client yet?

Experience the Cotality difference

Whether you're managing 200 or 200,000 loans, we would love to help with your property tax needs.

Every loan matters.

- Exceptional self-servicing technology
- Helping you provide an extraordinary borrower experience
- Comprehensive compliance and regulatory oversight to keep you ahead
- Relationships with 22,000 taxing authorities
- World-class service for you and your borrowers

Partner with us now to make your next busy season less stressful.

Schedule a demo with our team

About Cotality

Cotality collects, maintains, and integrates the largest, most comprehensive database of property, people, and location-based intelligence in the U.S., providing retailers with a rich view of consumer behavior, as well as a clear picture of promising retail markets around the country.

https://www.cotality.com/

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