CASCADE
CONTRACT
COLLECTIONS

Cascade Escrow Contract Collections

Frequently Asked Questions

What Is An Escrow Collection?
An Escrow Collection is the administration of a purchase agreement between two or more parties. In a contract, documents, money, securities and other conveyances are held in escrow according to the written instructions provided by the parties of the transaction. The Escrow Collection Agent maintains a history of payments including principal and interest, as well as tax and insurance reserves and any other monetary transactions.

Who Needs An Escrow Collection?
Any individual who buys or sells property and loans or borrows money from another individual can benefit from a neutral third party who keeps proper records. An Escrow Collection will help avoid disagreements about interest and principal balances.

Why Have An Escrow Collection?
Although a private note can be an excellent source of income, few note holders have the experience or desire to oversee the monthly collection and reporting that is involved when servicing a mortgage note. These tasks include receiving and applying payments, calculating principal and interest and assessing late fees and/or prepayment penalties.

Does a collection escrow servicer collect on delinquent payments?
A collection escrow agent acts in a neutral capacity and does not collect on unpaid debts. It is the responsibility of the Payee/Seller/Lender, to initiate any demands on past due payments or unpaid debts, either directly on their own or through an attorney.

Does the collection escrow agent handle the foreclosure process?
Once the account has become delinquent or the original agreement has been breached, it is the responsibility of the Payee/Seller/Lender to initiate the foreclosure process through an attorney or legal representative. The payee can elect to terminate the servicing of the collection escrow account and request the original documents by sending in their written instruction that the account is at least 45 days or more delinquent.

What is the difference between calculating interest on a 365/daily, as opposed to a 360/monthly basis?
On a 365/daily basis, interest is calculated from the last date of payment to the next date of payment, making the number of days between those payments the actual days of interest you pay from that payment. On a 360/monthly basis, interest is calculated every 30 days regardless of the date you actually make the payment, therefore every regular monthly payment consists of 30 days of interest whether there is more or less than 30 days in that month.

Why do I have unpaid interest after making a payment?
Unless otherwise stated, we compute interest on the actual number of days that have passed since your last payment. If there is more interest due than the amount of the payment, past due interest will show. This does not mean the account is delinquent or any charges have been assessed. The past due interest merely shows how much interest is still owing to the date your payment was received.

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