Why Did My Mortgage Payment Go Up? Escrow, Explained

Your rate is fixed but your payment changed — here's why. How escrow accounts work, what an escrow analysis is, and what to do when taxes and insurance rise.

JULY 2026 · BY THE ALVORADA MORTGAGE TEAM

You have a 30-year *fixed* mortgage. Then a letter arrives: your payment is going up $180 a month. Did the bank break the deal? No — and understanding why starts with one word: **escrow**.

Your Payment Has Two Parts

What you pay each month is **PITI**: Principal + Interest (the loan itself — this part IS fixed forever) and Taxes + Insurance (collected monthly into an **escrow account**, from which the lender pays your property tax bill and insurance premium when they come due). The loan never changes. **Taxes and insurance do** — and they're what moves your payment.

The Annual Escrow Analysis

Once a year, your servicer compares what it collected against what it actually paid, and projects next year. Two things can push the payment up:

- **A shortage** — last year's taxes or insurance cost more than collected. You owe the difference (spread over 12 months, or payable as a lump sum).
- **Higher projections** — next year's bills will be bigger, so the monthly deposit rises too.

Often both hit at once — which is why a $40/month tax increase can show up as a $120/month payment jump for one year, then settle back down.

> **First full year in a new home? Expect it.** New-construction buyers often pay taxes on the land only in year one; the first reassessment with a house on it can raise taxes sharply. Resale buyers can lose the previous owner's exemptions and caps — the tax bill resets to YOUR status. Budget for the second-year adjustment and it won't hurt.

Why It's Been Happening a Lot

- **Rising home values** — higher assessed values mean higher property taxes (Georgia and Florida both saw big run-ups).
- **Insurance premiums** — especially in Florida, where homeowner's insurance costs have climbed dramatically.

What You Can Actually Do

1. **File your homestead exemption.** The single biggest free win — it lowers your taxable value and, in both Georgia and Florida, unlocks caps on future increases. See our state-specific guides. If you never filed, this is step one.
2. **Shop your insurance.** You can change homeowner's insurance any time — not just at renewal. In Florida especially, re-quoting every year or two is worth real money. The new premium flows into escrow and your payment drops at the next analysis.
3. **Check the assessment.** If the county's value for your home looks too high, you can appeal it — there's a window each year (45 days from the notice in Georgia; petition deadlines by county in Florida).
4. **Read the escrow analysis statement.** It shows exactly which line moved. If something looks wrong — a duplicated bill, insurance you already cancelled — call the servicer.
5. **Pay a shortage as a lump sum** if cash flow allows — it keeps the monthly lower than spreading it.

> A Snellville homeowner's payment jumped $210/month at their first escrow analysis. The causes: the tax bill reset after purchase (previous owner's senior exemption disappeared) plus an insurance renewal up $400. Fixes: filed homestead before April 1, re-quoted insurance and saved $500/year. Next analysis, the payment came down $95 — and the taxable value is now capped going forward.

When the Payment Change Is a Refinance Question

Escrow explains most payment jumps — but if your rate is adjustable, your mortgage insurance can drop, or rates have fallen since you bought, the fix might live on the loan side instead. Send us your statement and we'll tell you in plain language which lever to pull — in English, Portuguese, or Spanish.

Let's Talk About Your Mortgage

Our team serves you in English, Portuguese, and Spanish — no cost, no obligation.

Jade Taylor

BROKER / OWNER

NMLS # 1822210

(678) 753-5233 • jade@alvoradamortgage.com

English · Português · Español

ALVORADA MORTGAGE, LLC

OFFICE

2326 Wisteria Drive
Suite 210
Snellville, GA 30078

CONTACT

Phone: (770) 742-6000
Fax: (770) 285-5530
WhatsApp:
+1 (678) 753-5233

ONLINE

alvoradamortgage.com
info@alvoradamortgage.com
Google Business Profile

LICENSES

NMLS # 2137907
Georgia # 2137907
Florida # MBR5158

Ready to get started?

Apply online in about 15 minutes: **alvorada.my1003app.com/1822210/register**