



Credit Policy  
Effective: 03/23/26  
Correspondent Lending

## New Construction Tax Estimation for Loan Qualifying

Applies to: Conventional, FHA, VA and USDA

Onity Mortgage Corporation, f/k/a PHH Mortgage Corporation, requires construction properties that have not yet been assessed on land and improvements combined, confirmation from the title company of what the combined real estate taxes will be should be used and documented.

If the title company cannot verify the new taxes, the factors based on an assessed value in the area can be used to reasonably estimate the real estate taxes and must be documented to support the tax figure used. **If actual tax rate can be provided by the title company, that should be used to figure the estimated tax amount for the subject.**

There are a number of steps that can be taken to help develop a reasonable estimate if the real estate taxes on the value of the land and completed improvements cannot be confirmed.

- Check the local tax assessor or municipality's website or call their office for a more exact figure for the home. The phone number for every county's tax assessor's office can be located on <http://www.taxassessors.net>.
- Search public record sites such as Zillow, Realtor.com, etc., to find similarly valued sales in the same area and use a similar tax amount.
- Use an online resource such as <https://smartasset.com/taxes/property-taxes> to obtain the average tax rate in the county where the subject property is located to determine if the tax estimate developed in the steps above seems reasonable.

No matter the method used to calculate the estimated real estate taxes, it must be a reasonable estimate and documentation to support the tax figure used must be provided.