

Each month, a portion of your mortgage payment goes into an escrow account to pay any applicable property taxes, homeowner's insurance, mortgage insurance or other types of insurance and taxes. Federal law requires that we analyze your account each year to determine whether the current balance and the amount of money we collect each month is appropriate based on the bills that we expect to pay over the next 12 months. If the account has too much money, we generally refund the surplus and lower your monthly payment; if the account has too little money, your monthly payment will increase. Listed below are some explanations to assist you in understanding your Escrow Analysis statement.

SECTION 1 – ITEMS TO BE PAID FROM ESCROW

This is a summary of the tax and insurance items that we plan to pay from your escrow account over the next 12 months. It shows the type and number of payments, the annual and monthly payment amounts for each item. This section also lists your required low balance or your escrow cushion.

ESC#	ESCROW ITEM	ANNUAL AMT.	MONTHLY AMT.	DATE DUE	FREQUENCY
(01)	COUNTY TAX	1,863.10	155.25	5/01/19	Irregular
(02)	HAZARD INSURANCE	859.58	71.63	06/24/19	Annual
	Total Projected	\$2,722.68	\$226.88		
	Required Low Balance:	\$453.78			

SECTION 2 – PROJECTED ACTIVITY FOR THE NEXT 12 MONTHS

Starting Balance – The expected balance at the start of the next year based on the actual transactions for the current year and any payments into and out of the account that we anticipate made before the end of the 12 month period.

Payments to Escrow – The anticipated deposits into your escrow account from the escrow portion of your monthly mortgage payment.

Payments from Escrow – Tax, insurance and other payments that we anticipate making from your escrow account over the next 12 months. Important: Please contact us if you know of any bills that should be added or removed from this section or if the amounts and/or due dates are incorrect.

Escrow Balance – The projected balance for each month and the projected ending balance for the analysis period based on the anticipated transactions.

The following is an estimate of activity in your escrow account during the coming year based on payments anticipated to be made from your account.

Month/ Year	Payments To Escrow Account	Payments From Escrow Account	Escrow #	Escrow Account Balance
Target Starting Balance as of 12/18.....				883.57.....
01/19	226.89	0.00		1,110.46
02/19	226.89	0.00		1,337.35
03/19	226.89	0.00		1,564.24
04/19	226.89	0.00		1,791.13
05/19	226.89	931.55	01	1,086.47
06/19	226.89	859.58	02	453.78
07/19	226.89	0.00		680.67
08/19	226.89	0.00		907.56
09/19	226.89	0.00		1,134.45
10/19	226.89	0.00		1,361.34
11/19	226.89	931.55	01	656.68
12/19	226.89	0.00		883.57
TOTALS	2,722.68	2,722.68		

SECTION 3 – LOWEST PROJECTED BALANCE AND SURPLUS/REFUND STATEMENT

Federal law allows servicers to collect additional escrow as a cushion to cover any shortfalls that may occur during the year due to changes in tax and/or insurance amounts or as a result of unanticipated bills. The cushion amount is the target low-point balance for the escrow account over the course of the next 12 months.

When comparing the actual escrow account balance to the starting balance required to maintain the allowed cushion amount, the escrow analysis may identify a surplus, a shortage or a deficiency. Surpluses, shortages and deficiencies typically occur when the actual tax and insurance payments differ from the estimates from the previous 12 month period.

Starting Balance should be:	\$883.57	To meet required low balance
Escrow balance:	\$701.54	Projected thru end of 12/19
Shortage:	\$182.03	
The shortage in your account will be spread over the next 12 payments.		
Starting 01/01/20 shortage adjustment (Shortage / 12): \$15.17		

The escrow analysis works as follows:

1. We add up the estimated amounts scheduled to be paid from your escrow account and then divide the total by 12 months to determine the monthly collection amount.
2. Then, we analyze the projected balance for each month based on the starting balance, the new monthly escrow collection amount, and the bills we anticipate paying. Finally, we find the month with the lowest projected balance. If this low point is less than zero, the account has a deficiency; if it is less than the allowed cushion amount, the account has a shortage; and if it is greater than the cushion amount, the account has a surplus.

Surplus, shortage or deficiency repayment:

1. Surpluses amounts of \$50.00 or more are refunded to you via check provided your loan is not more than 30 days past due
2. Shortages and deficiencies are added to your mortgage payment and spread over a 12 month period.

SECTION 4 – NEW MONTHLY PAYMENT AMOUNT AND EFFECTIVE DATE

This section lists your new monthly payment amount and the date it becomes effective. It will also list what your payment amount will be should you choose to pay your escrow shortage and deficiency (if applicable) prior to the required date reflected.

Impact of Analysis on Monthly Payment	
Escrow Payment	226.89
Shortage Adjustment	+ 15.17
Revised Escrow Payment	242.06
Principal & Interest	+ 1,338.08
***Your New Payment Commencing 01/01/19	\$1,580.14
If shortage of \$182.03 is paid prior to 12/17/18, your new payment will be \$1,564.97.	

SECTION 5 – ESCROW ACCOUNT HISTORY FROM THE PREVIOUS PERIOD

This section shows the anticipated transactions from the last escrow analysis compared to the activity that actually occurred in your account. Depending on when we ran this analysis, we may have projected transactions that we assume will be paid prior to the end of the historical period listed. Projected transactions are indicated with a P. Additionally, differences between the previous projection either in the date or the amount are indicated with an *.

ESC# Escrow Item							
(01) COUNTY TAX							
(02) HAZARD INSURANCE							
The following is a statement of activity in your escrow account from 03/18 through 12/18 as well as projected activity as disclosed to you in 03/18.							
Month/Year	Payments To Escrow Projected	Payments To Escrow Actual	Payments From Escrow Projected	Payments From Escrow Esc#	Payments From Escrow Actual	Escrow Balance Projected	Escrow Balance Actual
Starting Balance as of 02/18		N/A		0.00
03/18	N/A	785.07	N/A		0.00	N/A	785.07
04/18	N/A		N/A		0.00	785.07	785.07
05/18	213.45	213.45	0.00		0.00	998.52	998.52
06/18	213.45	213.45	716.32	02	859.58 *	495.65	352.39
07/18	213.45	213.45	0.00		0.00	709.10	565.84
08/18	213.45	213.45	0.00		0.00	922.55	779.29
09/18	213.45	213.45	0.00		0.00	1,136.00	992.74
10/18	213.45	213.45	922.55	01	931.55 *	426.90	274.64 P
11/18	213.45	213.45 P	0.00		0.00	640.35	488.09 P
12/18	213.45	213.45 P	0.00		0.00	853.80	701.54 P
01/19	213.45	N/A	0.00		N/A	1,067.25	N/A
02/19	213.45	N/A	0.00		N/A	1,280.70	N/A
03/19	213.45	N/A	0.00		N/A	1,494.15	N/A
04/19	213.45	N/A	922.55	01	N/A	785.05	N/A
TOTALS	2,561.40	2,492.67 P	2,561.42		1,791.13		
Last year, we anticipated that payments from your account would be made during this period equaling \$2,561.42. Under Federal law, your lowest monthly balance should not have exceeded \$426.90 unless your mortgage contract or State law specifies a lower amount. Under your mortgage contract, your lowest monthly balance should not have exceeded \$426.90.							
The lowest balance was \$274.64. An asterisk (*) indicates a difference from a previous estimate either in the date or the amount. P indicates projected activity to or from your escrow account. For a further explanation, please call us.							

The last part of this section will list the previous payment information (i.e. the current payment)

Payment Information From the Past Year	
Escrow	213.45
Principal & Interest	1,338.08
Total Payment Amount	\$1,551.53

