

# ANNUAL ESCROW ANALYSIS Quick Guide



At least once a year, we conduct an escrow analysis on your account to determine if the escrow portion of your monthly mortgage payment is enough to cover your real estate taxes and/or insurance. Please closely review your escrow analysis ("Annual Escrow Account Disclosure Statement and Change of Payment Notice") and reference this Guide and Frequently Asked Questions for more information about the analysis.

## Anticipated Escrow Account Disbursements

These are the estimated amounts to be paid from escrow for your taxes and insurance over the next 12 months.

## Payment Information

This is a breakdown of the anticipated total monthly mortgage payment for the next 12 months, along with the effective date of the change in your payment if no action is taken to reduce it (see bottom of this page for shortage payment options).

## Escrow Account Projection for the Coming Year

This chart shows your estimated escrow payments (both to and from your account) for the upcoming year. These estimated amounts are based on your current tax and insurance payments. If these expenses increase or decrease during the upcoming year, your actual payments may also change.

## Escrow Shortage Explanation and Amount (if applicable)

The value of any escrow shortage will be listed here.

## Escrow Surplus Check (if applicable)

If your escrow has a surplus of \$50 or more, your analysis will include a surplus check. If you have a surplus but no check is attached, you will find more information on the bottom section of the analysis.

## Annual Escrow Account Disclosure Statement - Account History

This chart lists all of your escrow activity from the prior year, including what was originally projected to be paid and what was actually paid.

### Payments To Esc Acct

*Projected* column outlines original projected payments coming into escrow. *Actual* column outlines actual payments deposited into escrow.

### Payment From Esc Acct

*Projected* column outlines original projected amount to be disbursed from escrow. *Actual* column outlines actual amount disbursed from escrow.

### Projected Escrow Description

Description of item paid from escrow.

### Escrow Bal Comparison

*Projected* column lists originally projected escrow balance after each payment or disbursement from escrow. *Actual* column lists actual escrow balance after each payment or disbursement from escrow.

## Shortage Payment Options

If you have an escrow shortage, you have several options:

- Option 1:** *No action required.* The shortage will be automatically spread over the indicated number of months outlined in the Escrow Account Projection for the Coming Year section of your analysis.
- Option 2:** *\* Pay your shortage in full.* Please note that even if your shortage is paid in full, your payment may still increase.
- Option 3:** *\* Keep your payments the same.* To do this, take total payment amount and subtract your old total payment amount, then multiply that figure by 12. Then, submit payment for that amount to us.

\*If you would like to pay either in full, or to keep your monthly payment the same, please complete and submit the form below. You may also submit your payment through a transfer in online banking.

## More Information

For more information about your escrow analysis, see the Frequently Asked Questions on the reverse or contact our Midwest-Based Customer Care team at 800-242-2470.

Please note that for questions about your taxes, you should contact your local assessor's office. For questions about your insurance, you should contact your insurance company or agent.

## ESCROW SHORTAGE REMITTANCE FORM

If you would like to remit payment in full or keep your payment at the previous amount, please complete and send this form with your check to:

Attn: Cashiering  
Associated Loan Services Department  
1305 Main Street  
Stevens Point, WI 54481-0763

Loan Number: \_\_\_\_\_  
Shortage Amount: \_\_\_\_\_  
Please select one:  Pay in full  Keep payment at previous amount

Name: \_\_\_\_\_

If you prefer, you can make your payment via online banking.

ASSOCIATED LOAN SERVICES DEPT.  
1305 MAIN STREET  
STEVENS POINT, WI 54481

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT  
AND CHANGE OF PAYMENT NOTICE PREPARED FOR:

Loan Number: \_\_\_\_\_ 08/21/2018

ANTICIPATED ESCROW ACCOUNT DISBURSEMENTS  
FIRE INSURAN \$1,414.00  
COUNTY TAX \$6,221.70

PAYMENT INFORMATION  
NEW  
PRIN. and INT. \$752.91  
ESCROW \$636.30  
A & H OR LIFE \$ 0.00  
OVER / SHORT \$64.40  
MISC \$ 0.00  
TOTAL \$1,453.61

TOTAL FIRST PAYMENT AMOUNT: \$1,453.61  
NEW PAYMENT EFFECTIVE DATE: 10/01/18

Associated Loan Services Dept. has completed an analysis of your escrow account, and has adjusted your mortgage payment to reflect changes in your real estate taxes and/or property insurance. The escrow items to be disbursed from your account over the next twelve months are itemized above. If you have questions regarding this analysis, please visit our Customer Service Department at Associated Loan Services Dept., 1305 Main Street, Stevens Point, WI 54481, or call toll-free 1-800-242-2470.

ESCRROW ACCOUNT PROJECTION FOR THE COMING YEAR  
This is an estimate of activity in your escrow account during the coming year, based on payments anticipated to be made from your account.

MONTH	PAYMENTS TO ESCROW ACCOUNT		PAYMENTS FROM ESCROW ACCOUNT				ESCRROW ACCOUNT BALANCE	PROJECTED REQUIRED
	INITIAL DEPOSIT		MPP/MI	TAXES	FLOOD	HAZ. INS.		
OCT/18	\$636.30						\$499.90	\$1272.70
NOV/18	\$636.30						\$1216.30	\$2509.00
DEC/18	\$636.30						\$1772.50	\$2545.30
JAN/19	\$636.30						\$2408.80	\$3281.60
FEB/19	\$636.30						\$3045.10	\$3817.90
MAR/19	\$636.30						\$3681.40	\$4454.20
APR/19	\$636.30						\$4317.70	\$5090.50
MAY/19	\$636.30						\$4954.00	\$5726.80
JUN/19	\$636.30				\$1414.00		\$5590.30	\$6363.10
JUL/19	\$636.30						\$6226.60	\$7000.40
AUG/19	\$636.30		\$3110.85				\$6862.90	\$7636.70
SEP/19	\$636.30			\$3110.85			\$7500.00	\$8273.00

\*Indicates your projection low point of \$136.50. Your required reserve balance is \$636.30 based on the terms of your mortgage contract, federal or state regulations. The difference between the projected low point and the required reserve balance is \$722.80. This is your shortage which has been prorated, added to your monthly payment and will be collected from you over a 12 month period.

Please keep for comparison with the actual activity in your account at the end of the next escrow accounting computation year.

Loan Number: \_\_\_\_\_ Name: \_\_\_\_\_

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT - ACCOUNT HISTORY

This is a statement of actual activity in your escrow account from 07/17 through 09/18. Last year's projections are next to the actual activity. As of your last analysis, the payment was calculated as \$1,357.88 of which \$752.91 was for principal and interest and \$604.97 was for escrow. Please note that changes to your payment may have occurred since the last analysis based on escrow activity. An asterisk(\*) indicates a difference from a previous estimate either in date or the amount.

Last year, we anticipated that payments from your escrow account would be made during this period equaling \$6,973.40.

When applicable, the letter 'E' beside an amount indicates that a payment or disbursement has not yet occurred but is estimated to occur as shown.

MONTH	PAYMENTS TO ESC. ACCT.		PAYMENTS FROM ESC. ACCT.		PROJECTED ESCROW DESCRIPTION	ESCROW BAL. PROJECTED	COMPARISON ACTUAL
	PROJECTED	ACTUAL	PROJECTED	ACTUAL			
JUL/17	\$600.63	\$647.27		\$47.00	HOMEOWNERS I	\$2912.81	\$2672.60
AUG/17	\$600.63	\$605.03	\$2839.59	\$2931.49	COUNTY TAX	\$673.85	\$346.14
SEP/17	\$600.63	\$605.03	\$73.22	\$75.21	COUNTY TAX	\$600.63	\$270.93
						\$1201.26	\$875.96
					ESCROW BALANCE AT START OF CYCLE =>	\$1162.30	\$875.96
OCT/17	\$581.11	\$604.97				\$2743.41	\$1480.93
NOV/17	\$581.11	\$604.97				\$2324.52	\$2085.90
DEC/17	\$581.11	\$604.97				\$2905.63	\$2690.87
JAN/18	\$581.11	\$604.97				\$3486.74	\$3295.84
FEB/18	\$581.11	\$604.97				\$4067.85	\$3900.81
MAR/18	\$581.11	\$604.97				\$4648.96	\$4505.78
APR/18	\$581.11	\$604.97				\$5230.07	\$5110.75
MAY/18	\$581.11	\$604.97				\$5811.18	\$5682.21
JUN/18			\$3033.51*		COUNTY TAX	\$5811.18	\$2604.87
JUL/18			\$77.34		COUNTY TAX	\$5811.18	\$1579.87
AUG/18			\$1025.00		FIRE INSURAN	\$5432.29	\$2184.84
SEP/18	\$581.11	\$604.97	\$960.00		COUNTY TAX	\$2500.80	\$2184.84
			\$2931.49				



# ANNUAL ESCROW ANALYSIS

## Frequently Asked Questions



**Q: What is an escrow account and why do you maintain one for my loan?**

**A:** An escrow account acts like a savings account for payment of your real estate taxes and/or insurance. As each mortgage payment is made, a dedicated portion of the funds are deposited into the escrow account to pay your taxes and/or insurance. Projected tax and/or insurance amounts are equal to last year's actual tax and/or insurance payments. In other words, we estimate that your tax and/or insurance bills for the upcoming year will be the same as they were the prior year. We use the funds from your escrow account to pay your tax and/or insurance bills when we receive billing information from the taxing authority or insurance company.

**Q: Why did I receive an Annual Escrow Account Disclosure Statement and Change of Payment Notice (Escrow Analysis)?**

**A:** At least once a year, we review your escrow account to determine if the escrow portion of your monthly mortgage payment is enough to cover your real estate taxes and any applicable insurance. We are required under the Real Estate Settlement Procedures Act (RESPA) to disclose to you in an Escrow Account Disclosure Statement the results of this review and how it affects your monthly mortgage payment. Occasionally, we may also provide you with an interim statement.

**Q: Why did my monthly mortgage payment change?**

**A:** Increases and decreases to the escrow portion of your monthly mortgage payment are typically the result of changes in your real estate taxes and/or insurance. Some possible reasons are:

- **Homeowners insurance:** Your premium may be different as a result of changes to the type or extent of your insurance coverage, or if your insurance company changed your insurance rate. We encourage you to contact your insurance company or agent for any questions regarding changes to premiums.
- **Real estate taxes:** Your real estate taxes may be different as a result of property reassessment, or if the tax rate has changed. Tax bills for special assessments charged by your local tax authority will also impact the amount we collect for your real estate taxes. Anticipated tax payment time frames may change per local authority as well. We encourage you to contact your local taxing authority for any questions regarding changes to your real estate taxes.
- **New construction:** A difference may occur with partially assessed real estate tax bills for new construction properties. Typically, the first tax bill for a new property is only for the land/lot. Then as the property is assessed, the real estate tax bill will be increased to eventually include the land and the structures.
- **Initial escrow deposit:** Escrow is sometimes estimated at loan closing because information may not be available at that time. If the amount collected for the setup of your escrow account was more or less than the actual bills received for real estate taxes and/or insurance premiums, this will cause your monthly mortgage payment to change.

**Q: Will my online payment transfer be automatically adjusted?**

**A:** No, you will need to update any online transfers you have set up.

**Q: Why are you holding a reserve balance?**

**A:** Your mortgage documents allow us to maintain an escrow cushion equal to two escrow payments. This "cushion" is the minimum balance of the escrow account and acts like a savings account to help if your taxes or insurance increase.

**Q: How did you determine my required starting escrow balance?**

**A:** Your required starting balance is determined by calculating what your balance would need to be as of today to prevent the escrow balance from falling below the minimum required balance (cushion) at the lowest point in your account projection.

**Q: Can I close my escrow account?**

**A:** There are various requirements that must be met in order to close your escrow account. If you would like your account to be reviewed to determine if it meets the requirements to close escrow, contact our Customer Care team at 800-242-2470.

**Q: Who do I contact if I have questions?**

**A:**

- **Escrow or mortgage information:** Contact Associated Bank's Midwest-Based Customer Care team at 800-242-2470.
- **Taxes:** Contact your local assessor's office.
- **Insurance:** Contact your insurance company or agent.

**Q: What are my options to pay for a shortage?**

**A:** You have several options if your escrow has a shortage (you owe more than is currently being withdrawn).

- **Option 1: Take no action.** The shortage will be automatically spread over the indicated number of months outlined in the Escrow Account Projection for the Coming Year section of your analysis.
- **Option 2: Pay your shortage in full** using the form provided on the other side of this Guide, or by paying via online banking. Please note that even if your shortage is paid in full, your payment may still increase.
- **Option 3: Keep your payments the same.** To do this, take your new total payment amount and subtract your old total payment amount, then multiply that figure by 12. Then, submit payment for that amount using the form provided on the other side of this Guide, or pay via online banking.