

# HOW TO READ YOUR ESCROW ANALYSIS STATEMENT

An Escrow Analysis is a review of your escrow account to ensure enough funds are collected to pay upcoming installments of your insurance premium(s) and/or property taxes. Your Escrow Analysis statement is designed to provide you with details about the review of your escrow account and the resulting changes to your monthly escrow payment.

Please make certain that your name and address are shown correctly on the statement. You may call us at 1-800-258-8602 with questions about your escrow account.

**1 Statement Date:** Your statement reflects all escrow account activity as of this date.

**2 New Monthly Payment:**  
**Current Payment:** This is a breakdown of your current monthly payment amount prior to the escrow analysis, including the:  
**Principal and Interest** payment (for repayment of your loan, this is not impacted by the escrow analysis)  
**Regular Escrow Payments** (for payment of your property taxes and/or insurance premiums)  
**Monthly Shortage Payment** (for repayment of a prior escrow account deficiency). This will only appear if applicable.

**New Payment:** This is a breakdown of your new monthly payment amount, resulting from the escrow analysis. The effective date of your new payment amount is listed under the New Payment heading in the table.

**Change:** This column shows the difference between the Current Payment amount and New Payment amount for each item in the monthly payment breakdown.

**3 New Payment Effective Date:** This is the payment date when your new payment amount becomes effective.

**4 Explanation of the Payment Change:**

**A. Regular Escrow Payments:** This section explains any changes to the Regular Escrow Payments portion of your monthly payment, as shown in the New Monthly Payment breakdown above.

**B. Escrow Reserve Requirements:** This section explains the Escrow Reserve requirement, if applicable.

**C. Escrow Shortage, Escrow Surplus or Escrow Balance:** This section explains any change to your monthly escrow payment, which may be caused by an overage or shortage.

**5 Annual History Disclosure Statement and Current Estimate for Escrow Activity:** This section includes two tables of information that were used during your escrow analysis to determine the changes to your monthly payment described above.

The first table lists all of the expected and actual escrow transactions for your escrow account during the previous 12 months, including:

**Payments: Estimate** - the escrow portion of your monthly payment that was scheduled to be made each month

**Payments: Actual** - the escrow portion of your monthly payment that was actually made and was deposited into your escrow account

**Disbursements: Estimate** - funds that were expected to be paid out of your escrow account to pay for anticipated property taxes and insurance premiums

**Disbursements: Actual** - funds that were actually paid out of your escrow account to pay for property taxes and insurance premiums

**Total Balance** - The balance of your escrow account at the end of each month based on the Actual Payments and Actual Disbursements made during the month


The second table lists the estimated escrow transactions for your escrow account during the upcoming 12 months. For each month in the listing, the Beginning Balance is compared to the Required Balance to determine if there are enough funds to cover the expected property tax and insurance premium payments and meet the Escrow Reserve requirement for your account.

**6 Refund Information or Repayment Coupon:**

**Refund Information:** This section will appear if you have an escrow overage. This means that you have more funds in your escrow account than are needed to pay your expected property tax and insurance premium payments and meet your Escrow Reserve Requirement for the coming year. It explains how refunds are handled.

**Repayment Coupon:** This section will appear if you have an escrow shortage. This means that you do not have enough funds in your escrow account to pay your expected property tax and insurance premium payments and meet your Escrow Reserve Requirement for the coming year. It explains your options for repaying the shortage.

We hope you find the information in this summary helpful. If you have questions, you may call a Customer Service Account Representative at 1-800-258-8602.



November 13, 2017

**1**

CUSTOMER NAME  
 CUSTOMER ADDRESS  
 CITY, STATE ZIP CODE

Account Number: 444444444  
 Property Address: PROPERTY ADDRESS  
 CITY, STATE ZIP CODE

RE: Important notice regarding your Annual Escrow Account Disclosure Statement and your new escrow payment amount

This statement is for informational purposes only

Dear Customer(s):

Select Portfolio Servicing, Inc. (SPS) reviewed your escrow account to determine your new monthly escrow payment. Following are the answers to the most common questions we receive about the escrow account and the details related to the analysis.

**2**

1. What is the amount of my new monthly payment?  
 The table below shows your new monthly payment, including any escrow **3** from this new analysis statement.

Table 1	Current Payment (As of last analysis)	New Payment (as of 12/01/2017)	Change
Principal and Interest	\$1,282.26	\$1,282.26	
Regular Escrow Payment	\$671.93	\$603.68	-\$68.25
Monthly Shortage Payment	\$73.31	\$67.78	-\$5.53
<b>Total Payment</b>		<b>\$1,953.72</b>	<b>-\$73.78</b>

**4**

2. Why did the escrow portion of my payment change?  
 There are three main reasons why your escrow account payment may change from year to year.

A. Regular Escrow Payments - Changes occur based on differences between the expected property tax or insurance payments for the prior year and the expected property tax or insurance payments for the current year. Table 2 shows those differences and any resulting monthly shortage change, which is explained in section C.

Table 2	Prior Year Estimated Disbursements (As of last analysis)	Current Year Estimated Disbursements (as of 12/01/2017)	Change
Tax Disbursements	\$5,154.10	\$5,269.22	\$115.12
Hazard Insurance Disbursements	\$2,909.06	\$1,975.00	-\$934.06
Total Annual Escrow Disbursements	\$8,063.16	\$7,244.22	-\$818.94
Monthly Escrow Payment	\$671.93	\$603.68	-\$68.25
Monthly Shortage Payment	\$73.31	\$67.78	-\$5.53

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B. Escrow Reserve Requirements - RESPA/Federal law allows lenders to maintain a maximum of two months reserve in your escrow account, commonly referred to as a cushion. However, based on state, investor, or modification requirements your cushion requirement may be less than the Federal requirement. Your account has a monthly reserve requirement of 1 month. This reserve is established to cover unanticipated increases in your property taxes, insurance and other escrow amounts. The monthly reserve requirement amount is \$603.68 and is accounted for in your monthly escrow payment reflected above in Tables 1 and 2. If your account has mortgage insurance, the monthly mortgage insurance amount has been removed from the escrow reserve requirements.

C. Escrow Shortage - The projected starting balance on your account is \$394.11. According to the projections shown in Tables 3 and 4, your required beginning balance should be \$1,207.42.

Your total shortage is \$813.31, which is determined by subtracting your projected starting balance from your actual escrow account balance. \$1,207.42 - \$394.11 = \$813.31. Unless you elect to pay the shortage in full, we will collect the total amount over 12 months at \$67.78 per payment.

Table 3 below shows a detailed history of your escrow account transactions since your last analysis. An asterisk (\*) indicates a difference from a previous estimate in either the date or the amount. The letter E beside an amount indicates that the payment or disbursement has not yet occurred but is estimated to occur as shown prior to the effective date of this new analysis.

Month	Description	Payments		Disbursements		Total Balance
		Estimate	Actual	Estimate	Actual	
History	Beginning Balance					\$1,136.12
November 2016		671.93	745.24 *	0.00	0.00	1,881.36
December 2016		671.93	745.24 *	0.00	0.00	2,626.60
January 2017		671.93	745.24 *	0.00	0.00	3,371.84
February 2017		671.93	745.24 *	0.00	0.00	4,117.08
March 2017	HAZARD INS	671.93	745.24 *	0.00	3,112.60 *	1,749.72
April 2017	HAZARD INS	671.93	745.24 *	2,909.06	0.00 *	2,494.96
May 2017	COUNTY TAX	671.93	745.24 *	2,577.05	2,634.61 *	605.59
June 2017		671.93	745.24 *	0.00	0.00	1,350.83
July 2017		671.93	745.24 *	0.00	0.00	2,096.07
August 2017	COUNTY TAX	671.93	745.24 *	2,577.05	2,634.61 *	206.70
September 2017		671.93	745.24 *	0.00	0.00	951.94
October 2017	HAZARD INS	671.93	745.24 *	0.00	1,975.00 *	-277.82
November 2017		0.00	671.93 E	0.00	0.00 E	394.11

Table 4 below shows a detailed projection of future estimated escrow activity of your escrow account transactions since your last analysis as well as a projection of future escrow activity. The double asterisk (\*\*) next to the required balance indicates the lowest projected balance in the analysis. This low balance is used to determine the surplus or shortage in your escrow account at the time of this analysis.

Month	Description	Payments	Disbursements	Beginning Balance	Required Balance
		Estimate	Estimate		
	Starting Balance			\$394.11	\$1,207.42
December 2017		603.68	0.00	997.79	1,811.10
January 2018		603.68	0.00	1,601.47	2,414.78
February 2018		603.68	0.00	2,205.15	3,018.46
March 2018		603.68	0.00	2,808.83	3,622.14
April 2018		603.68	0.00	3,412.51	4,225.82
May 2018		603.68	2,634.61	1,381.59	2,194.89
June 2018	COUNTY TAX	603.68	0.00	1,985.26	2,798.57
July 2018		603.68	0.00	2,588.94	3,402.25
August 2018	COUNTY TAX	603.68	2,634.61	558.01	1,371.32
September 2018		603.68	0.00	1,161.69	1,975.00
October 2018	HAZARD INS	603.68	1,975.00	-209.63	603.68**
November 2018		603.68	0.00	394.05	1,207.36

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You have the following options to repay your escrow shortage:

Option A  
 Do Nothing - The monthly reserve of \$67.78 will be automatically collected with your New Payment unless you select Option B

Option B  
 Repay the Escrow Shortage in Full - To repay the shortage of \$813.31 in full, please submit your payment with this coupon to:

SELECT PORTFOLIO SERVICING, INC.  
 P. O. BOX 65450  
 SALT LAKE CITY, UT 84165-0450

You may also submit your payment online by visiting [www.spservicing.com](http://www.spservicing.com)

Escrow Reserve - Shortage Repayment Coupon

Select Portfolio Servicing, Inc.  
 CUSTOMER NAME  
 CUSTOMER ADDRESS  
 CITY, STATE ZIP CODE  
 Account No: 4444444444

Total Amount Enclosed: \_\_\_\_\_

00000000 0 2771 4444444444 066 00000000