

Annual Escrow Analysis Guide

Overview of the Escrow Account

Escrow is an account of money Volunteer Mortgage Loan Servicing (VMLS) maintains on your behalf. Funds are disbursed from the escrow account to pay your local real estate taxes, homeowner's insurance, and (in some cases) mortgage insurance and/or flood insurance. Under the terms of your mortgage, VMLS is required to collect funds from you with your monthly payment to maintain your escrow account. This ensures your escrow account has the funds needed to pay the expenses.

Overview of the Annual Escrow Analysis

Every year, VMLS conducts an analysis of your escrow account. We do this to ensure the account has the required amount of funds in it so we can disburse upcoming payments on your behalf.

All loans not more than 30 days delinquent, and not included in a Bankruptcy filing will be analyzed at the end of February with a new payment effective date of April 1. VMLS will provide you with a summary of the results by mail the same month the analysis is conducted.

The information included on the Annual Escrow Analysis Disclosure Statement is an estimate based on the prior year's expenses paid.

Impact of the Annual Escrow Analysis

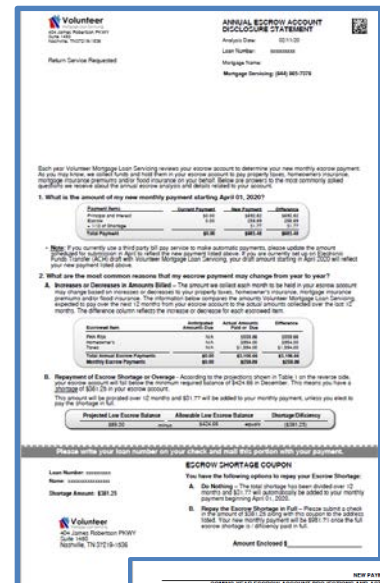
Due to the annual analysis, the amount of money deposited into your escrow account may change every year. As a result, it is normal that your total monthly mortgage payment amount may change after the escrow analysis is completed.

For some customers, the result of the escrow analysis may cause their total monthly payment amount to decrease, while other customers may see it increase. However, the total amount changes only because the portion of the payment which is placed in the escrow account has changed. The amounts you owe for the principal and interest will never change because of the escrow analysis.

What You Should Do

Review your escrow analysis when it arrives to verify the information on it and identify how your total monthly mortgage payment might change.

You have the right to shop for Homeowner's Insurance by contacting Insurance companies and requesting quotes. If you decide to obtain different Insurance, please notify VMLS immediately.



ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT

Return Service Requested

Product Date: 02/15/20
Loan Number: 0000000000
Mortgage Type: 30YR/15YR

1. What is the amount of any new monthly payment starting April 1, 2021?

Current Item	Current Payment	New Payment	Difference
Escrow and Interest	\$100.00	\$100.00	\$0.00
Principal	\$100.00	\$100.00	\$0.00
Total Payment	\$200.00	\$200.00	\$0.00

2. What are the most common reasons that my escrow payment may change from year to year?

A. Increases or Decreases in Accounts Billed - The amount we collect each month to be held in your escrow account is subject to increases or decreases in your property taxes, homeowner's insurance, mortgage insurance, and/or flood insurance. The information below compares the amounts Volunteer Mortgage Loan Servicing is projecting to collect the next 12 months from your escrow account to the actual amounts collected over the past 12 months. The difference (shown in red) is the projected difference in the amount you will be paying for the next 12 months.

Account Item	Projected	Actual	Difference
Property Taxes	\$100.00	\$100.00	\$0.00
Homeowner's Insurance	\$100.00	\$100.00	\$0.00
Mortgage Insurance	\$100.00	\$100.00	\$0.00
Flood Insurance	\$100.00	\$100.00	\$0.00
Total Annual Escrow Payments	\$400.00	\$400.00	\$0.00
Monthly Escrow Payments	\$33.33	\$33.33	\$0.00

B. Payment of Escrow for Change - According to the provisions shown in Table 1 on the reverse side, you may be required to pay for changes in your escrow account. The amount you will be paying for the next 12 months will be projected over 12 months and \$1.77 will be added to your monthly payment, unless you elect to pay the change in full.

Projected Loan Balance	Allowed Loan Balance	Change/Shortage
\$100,000.00	\$100,000.00	\$0.00

ESCROW SHORTAGE COURSE

You have the following options to repay your Escrow Shortage:

A. Pay in Monthly - The amount you have indicated on this statement and \$1.77 will automatically be added to your monthly payment beginning April 1, 2021.

B. Pay the Escrow Shortage in Full - Please submit a check for the amount of \$1.77 along with the amount in the address listed. Your escrow account will be \$181.77 after the full amount change is reflected in our system.

Amount Enclosed \$

COMPARISON YEAR ESCROW ACCOUNT PROJECTIONS AND ACTIVITY HISTORY

Table 1 shows a month to month analysis of the activity and projections all year to give you an overview of the next 12 months. The actual amounts shown in the table are the actual amounts collected over the past 12 months. The projected amounts shown in the table are the projected amounts to be collected over the next 12 months. The difference (shown in red) is the projected difference in the amount you will be paying for the next 12 months.

Month	Payments Collected	Disbursements	Description	Total	Maximum	Difference
April	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
May	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
June	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
July	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
August	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
September	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
October	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
November	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
December	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
January	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
February	\$200.00	\$175.00	Escrow Balance	\$25.00	\$0.00	\$25.00
TOTAL	\$2,400.00	\$2,100.00	Escrow Balance	\$300.00	\$0.00	\$300.00

TABLE 2 - ESCROW ACTIVITY HISTORY

Month	Payments Collected	Actual	Projected Disbursements	Actual	Description	Total	Balance
January	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$100.00	\$100.00
February	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$200.00	\$200.00
March	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$300.00	\$300.00
April	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$400.00	\$400.00
May	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$500.00	\$500.00
June	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$600.00	\$600.00
July	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$700.00	\$700.00
August	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$800.00	\$800.00
September	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$900.00	\$900.00
October	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,000.00	\$1,000.00
November	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,100.00	\$1,100.00
December	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,200.00	\$1,200.00
January	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,300.00	\$1,300.00
February	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,400.00	\$1,400.00
March	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,500.00	\$1,500.00
April	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,600.00	\$1,600.00
May	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,700.00	\$1,700.00
June	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,800.00	\$1,800.00
July	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$1,900.00	\$1,900.00
August	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$2,000.00	\$2,000.00
September	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$2,100.00	\$2,100.00
October	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$2,200.00	\$2,200.00
November	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$2,300.00	\$2,300.00
December	\$100.00	\$100.00	\$100.00	\$100.00	Escrow Balance	\$2,400.00	\$2,400.00
TOTAL	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	Escrow Balance	\$2,400.00	\$2,400.00

Important Sections of the Annual Escrow Analysis

Section 1 compares your current monthly payment to your new monthly payment effective April 1.

1. What is the amount of my new monthly payment starting April 01, 2020?

Payment Items	Current Payment	New Payment	Difference
Principal and Interest	\$291.31	\$291.31	\$0.00
Escrow	80.95	79.76	-1.19
Total Payment	\$372.26	\$371.07	-\$1.19

Section 2.A lists your Escrowed Items, the Anticipated Amounts Due (itemization of your current Escrow payment), and the Actual Amounts Paid or Due (itemization of your new Escrow payment). Notice the final line in section 2.A “Monthly Escrow Payments” matches the Escrow Payments in Section 1.

Escrowed Item	Anticipated Amounts Due	Actual Amounts Paid or Due	Difference
CITY	\$289.85	\$270.88	-\$18.97
COUNTY	\$372.54	\$0.00	-\$372.54
Forced Place In	\$309.00	\$343.00	\$34.00
TAXES VENDOR	N/A	\$343.24	\$343.24
Total Annual Escrow Payments	\$971.40	\$957.12	-\$14.28
Monthly Escrow Payments	\$80.95	\$79.76	-\$1.19

Section 2.B identifies if you have a Shortage or Overage (Surplus). Your escrow account has a minimum allowed balance (Low Point). To maintain a healthy account, we require a two month cushion reserved in your escrow account. If your escrow balance is projected to dip below the required cushion, you will have a Shortage. If your escrow balance is projected to always stay above the required two month cushion, you will have an Overage (Surplus). A full accounting of this is shown on the back of the escrow analysis.

Projected Low Escrow Balance	Allowable Low Escrow Balance	Surplus
\$230.86	minus \$159.52	equals \$71.34

SHORTAGE

A shortage means the amount of money in the escrow account is not enough to pay the anticipated expenses and maintain the cushion. This can occur due to increases in your Taxes or Insurance, changing the timing of your Insurance payment, or switching Insurance companies causing two disbursements in a single year. This amount must be paid to your escrow account.

- **Pay Option 1:** Pay the shortage amount in full using the coupon supplied with your Escrow Analysis before May 1.
- **Pay Option 2:** Pay the shortage over the next 12 months. No action is needed, the 1/12 shortage amount has been added in to your payment amount starting April 1.

If you cannot afford either option, please contact VMLS for additional payment assistance.

SURPLUS

A surplus means the amount of money in the escrow account is more than what is required to pay the anticipated expenses. A surplus will be refunded to you in one of two ways.

- **Refund Option 1:** If the surplus is less than \$50, VMLS will temporarily reduce your monthly escrow payment by using 1/12 of the surplus to credit your escrow payment each month.
- **Refund Option 2:** If the surplus is more than \$50 a check will be mailed to you within 30 days of the date of the escrow analysis.