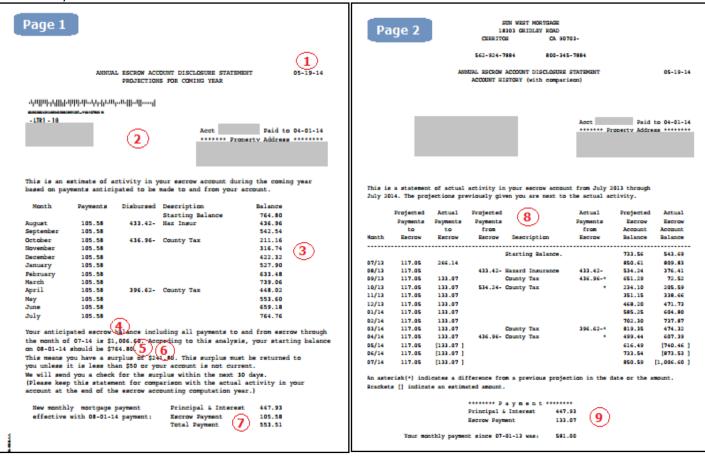




## How to Read Your Annual Escrow Account Disclosure Statement

### What is an Annual Escrow Account Disclosure Statement?

Each year, we review your escrow account to make sure the escrow portion of your scheduled mortgage payment covers your property taxes and/or insurance premiums. Increases or decreases in your annual taxes and/or insurance premiums may cause your mortgage payment amount to change. Here are the details of your most recent escrow account review.

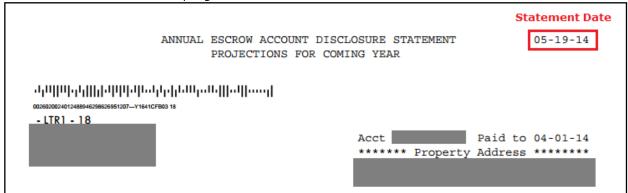






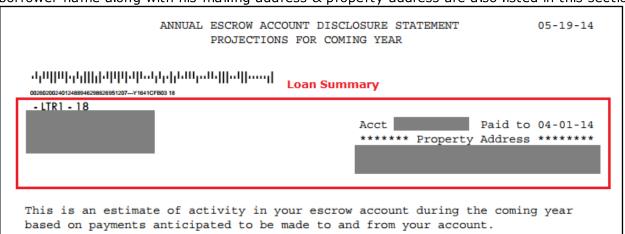
#### 1. Statement Date:

This is mentioned in the top right corner of the statement.



### 2. Loan Summary:

This section displays account no. along with last payment received at as of statement date. The borrower name along with his mailing address & property address are also listed in this section.



### 3. Projections For Coming Year:

This is an estimate of activity in your escrow account during the coming year

Month	Payments	Disbursed	Description Starting Balance	Balance 764.80	
August	105.58	433.42-	Haz Insur	436.96	
September	105.58			542.54	
October	105.58	436.96-	County Tax	211.16	
November	105.58			316.74	Projections Fo
December	105.58			422.32	Coming Year
January	105.58			527.90	coming real
February	105.58			633.48	
March	105.58			739.06	
April	105.58	396.62-	County Tax	448.02	
May	105.58		_	553.60	
June	105.58			659.18	
July	105.58			764.76	





### 4. Anticipated Escrow Balance:

This is calculated by taking the escrow balance at the time of the Escrow Analysis, adding in all payments up to the effective date of the analysis and subtracting all scheduled disbursements up to the effective date of the analysis.

Your anticipated escrow balance including all payments to and from escrow through the month of 07-14 is \$1,006.60 According to this analysis, your starting balance on 08-01-14 should be \$764.80.

This means you have a surplus of \$241.80. This surplus must be returned to you unless it is less than \$50 or your account is not current.

We will send you a check for the surplus within the next 30 days.

(Please keep this statement for comparison with the actual activity in your account at the end of the escrow accounting computation year.)

### 5. Target Escrow Balance:

This is the amount of money required in your escrow account on the effective date of the analysis in order to bring your escrow account balance to its lowest point over the coming 12 months.

Your anticipated escrow balance including all payments to and from escrow through the month of 07-14 is \$1,006.60. According to this analysis, your starting balance on 08-01-14 should be \$764.80

This means you have a surplus of \$241.80. This surplus must be returned to you unless it is less than \$50 or your account is not current.

We will send you a check for the surplus within the next 30 days.

(Please keep this statement for comparison with the actual activity in your account at the end of the escrow accounting computation year.)

### 6. Shortage / Surplus:

The Anticipated Escrow Balance is subtracted from the Target Escrow Balance to determine your escrow shortage or surplus.

Your anticipated escrow balance including all payments to and from escrow through the month of 07-14 is \$1,006.60. According to this analysis, your starting balance on 08-01-14 should be \$764.80.

This means you have a surplus of \$241.80 This surplus must be returned to you unless it is less than \$50 or your account is not current.

We will send you a check for the surplus within the next 30 days.

(Please keep this statement for comparison with the actual activity in your account at the end of the escrow accounting computation year.)

You may use either of the following options to restore to your required account balance.

# **Option 1:** Pay the entire shortage now **Option 2:** Pay the shortage over 12 months

New monthly mortgage payment Principal & Interest	656.81
effective with 08-01-14 payment: Escrow Payment	392.42
Shortage Payment	2.07
Total Payment	1,051.30 <b>Option 1</b>
IF YOU PAY YOUR SHORTAGE IN FULL YOUR NEW PAYMENT WILL BE	1,049.23Option 2





### 7. New Monthly Mortgage Payment:

This section displays the break-down of new monthly payment based on the current escrow analysis.

New monthly mortgage payment effective with 08-01-14 payment:

Principal & Interest	447.93
Escrow Payment	105.58
Total Payment	553.51

### 8. Comparing Prior Projections to the Actual Payments:

This section compares the escrow account activity that was projected at the time of your last escrow analysis with the actual escrow account activity. There are two major columns in this section:

- The **Prior Year Projection** column reflects the information from your last escrow analysis: the amounts expected to be paid into the escrow account and the bill amounts expected to be disbursed from your last analysis.
- The **Actual Activity** column displays the actual payments made into the escrow account and the actual bill amount disbursed from the escrow account during that same time period.

The bills to be disbursed were projections - as a result, the actual amounts paid may be different between the projected amounts and the actual amounts will affect the total escrow account shortage or surplus.

This is a statement of actual activity in your escrow account from July 2013 through July 2014. The projections previously given you are next to the actual activity.

Month	Projected Payments to Escrow	Actual Payments to Escrow	Projected Payments from Escrow	Description	Actual Payments from Escrow	Projected Escrow Account Balance	Actual Escrow Account Balance
				Starting Balance.		733.56	543.69
07/13	117.05	266.14				850.61	809.83
08/13	117.05		433.42-	Hazard Insurance	433.42-	534.24	376.41
09/13	117.05	133.07		County Tax	436.96-*	651.29	72.52
10/13	117.05	133.07	534.24-	County Tax	*	234.10	205.59
11/13	117.05	133.07				351.15	338.66
12/13	117.05	133.07				468.20	471.73
01/14	117.05	133.07				585.25	604.80
02/14	117.05	133.07				702.30	737.87
03/14	117.05	133.07		County Tax	396.62-*	819.35	474.32
04/14	117.05	133.07	436.96-	County Tax	*	499.44	607.39
05/14	117.05	[133.07]				616.49	[740.46
06/14	117.05	[133.07]				733.54	[873.53
07/14	117.05	[133.07]				850.59	[1,006.60

An asterisk(\*) indicates a difference from a previous projection in the date or the amount. Brackets [] indicate an estimated amount.

**Note:** If SWMC did not originate your mortgage loan or if your loan was recently transferred to SWMC by another mortgage servicer, your prior projection information may not be available.





# 9. Previous Monthly Mortgage Payment:

This section displays the break-down of previous monthly payment.

\*\*\*\*\*\*\* P a y m e n t \*\*\*\*\*\*\*
Principal & Interest 447.93
Escrow Payment 133.07

Your monthly payment since 07-01-13 was: 581.00





### Please read this important information:

## A. If your monthly mortgage payment is increasing

Increases in your monthly mortgage payment as a result of an escrow analysis are most commonly due to increases in property taxes and or homeowners insurance.

- If you have questions about an increase in your property taxes, please contact your local taxing authority; they are the best source for information to explain any changes in your tax bill.
- If you have questions about an increase in your homeowner's insurance premiums, please contact your insurance company or their local agent; they are the best source for information to explain any changes in your annual premium amount.

## B. If your monthly mortgage payment is decreasing

An Escrow Analysis may result in a surplus for many reasons. Under certain conditions, you may wish to return the surplus to your escrow account. The most common reasons are:

Initial escrow deposit collected at closing, if your loan closed within the last 18 months. Frequently, lenders must estimate the amounts for escrow because the actual amounts are not readily available at the time of closing. If the actual bills paid from your escrow account are lower than estimated at closing or the initial escrow deposit collected is more than the amount needed, a surplus may result.

Land value/partially assessed real estate tax amounts for newly constructed homes. A surplus may result if the initial escrow deposit collected at closing is based on an estimate of the fully assessed property value and the actual tax payment for the first year is based on land value only.

**Decrease in escrow bill amount.** If the amount of your real estate taxes or insurance decreased since the date of your last escrow analysis, a surplus may result.