

# Understanding your escrow statement

An escrow account is a separate account established by TIAA Bank that we use to pay, on your behalf, bills associated with your property and loan agreement. Examples of those bills include insurance premiums or property taxes. Annually, we review the past 12 months of your account and provide a statement of what you paid along with a projection of what you can expect to pay in the coming year.

Here is what a coupon statement looks like. We will discuss the different sections on the next few pages.

## Section A

Loan Number: 000000000 <b>ANNUAL ESCROW ACCOUNT ANALYSIS AND CHANGE OF PAYMENT NOTICE</b> TIAA Bank has completed an analysis of your escrow account. We have adjusted your mortgage payment to reflect changes in your real estate taxes or property insurance. The escrow item to be disbursed from your account are itemized to the right. If you have questions regarding this analysis, please write our Client Solutions Team at TIAA Bank, or call our toll-free number, 1-888-882-3837.		<b>ANTICIPATED ESCROW ACCOUNT DISBURSEMENTS</b> COUNTY TAX \$ 000.00 HAZARD INS \$ 000.00 INSURANCE \$ 000.00	Escrow Account Analysis
<b>NEW MONTHLY PAYMENT IS AS FOLLOWS:</b> Principal and Interest \$ 000.00 Required Escrow Payment \$ 000.00 Shortage/Surplus \$ 000.00 Other Insurance/Products/Services \$ 000.00 Buydown or Assistance Payments \$ 000.00 Other \$ 000.00		TOTAL MONTHLY PAYMENT \$ 000.00 NEW PAYMENT EFFECTIVE: MM/DD/YYYY	
PLEASE SEE THE FOLLOWING PAGE(S) FOR FURTHER DETAILS.			
PLEASE KEEP THIS STATEMENT FOR COMPARISON WITH THE ACTUAL ACTIVITY IN YOUR ACCOUNT AT THE END OF THE NEXT ESCROW ACCOUNTING COMPUTATION YEAR.			

Page 1\*

## Section C

Loan Number: 000000000 <b>ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT ACCOUNT HISTORY</b>							
MONTH	PAYMENTS TO ESCROW ACCT.		PAYMENTS FROM ESCROW ACCT.		DESCRIPTION	ESCROW ACCT. BALANCE	
	PROJECTED	ACTUAL	PROJECTED	ACTUAL		PROJECTED	ACTUAL
<b>STARTING BALANCE</b>						\$000.00	\$000.00
NOV17	\$000.00	\$000.00*			CNTY TAX	\$000.00	\$000.00
DEC	\$000.00	\$000.00			PROP INS	\$000.00	\$000.00
JAN	\$000.00	\$000.00	\$000.00		CNTY TAX	\$000.00	\$000.00
FEB	\$000.00	\$000.00	\$000.00		PROP INS	\$000.00	\$000.00
MAR	\$000.00	\$000.00	\$000.00		PROP INS	\$000.00	\$000.00
APR	\$000.00	\$000.00		\$000.00*	PROP INS	\$000.00	\$000.00
MAY	\$000.00	\$000.00		\$000.00*	PROP INS	\$000.00	\$000.00
JUN	\$000.00	\$000.00			PROP INS	\$000.00	\$000.00
JUL	\$000.00	\$000.00			PROP INS	\$000.00	\$000.00
AUG	\$000.00	\$000.00			PROP INS	\$000.00	\$000.00
SEP	\$000.00	\$000.00	\$000.00		CNTY TAX	\$000.00	\$000.00
OCT	\$000.00	\$000.00				\$000.00	\$000.00

Page 5\*

## Section B

Loan Number: 000000000 <b>ANNUAL ESCROW ACCOUNT PROJECTION FOR THE COMING YEAR</b> This is an estimate of activity in your escrow account during the coming year, based on payments anticipated to be made from your escrow account.							
INITIAL DEPOSIT	PAYMENTS TO ESCROW ACCT.		PAYMENTS FROM ESCROW ACCT.			ESCROW ACCT. BALANCE	
	MIP/PMI	TAXES	FLOOD	HAZ. INS.	SPECIAL	PROJECTED	REQUIRED
JUN	\$000.00					\$000.00	\$000.00
JUL	\$000.00					\$000.00	\$000.00
AUG	\$000.00	\$000.00				\$000.00	\$000.00
SEP	\$000.00					\$000.00	\$000.00
OCT	\$000.00					\$000.00	\$000.00
NOV	\$000.00					\$000.00	\$000.00
DEC	\$000.00					\$000.00	\$000.00
JAN	\$000.00					\$000.00	\$000.00
FEB	\$000.00	\$000.00	\$000.00			\$000.00	\$000.00*
MAR	\$000.00					\$000.00	\$000.00
APR	\$000.00					\$000.00	\$000.00
MAY	\$000.00					\$000.00	\$000.00

\*Indicates your projection low point of \$000.00-- Your required reserve balance is \$000.00. This amount represents 0, 1 or 2 monthly escrow payments less any monthly MIP/PMI payments. This is 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 \$000.00. This is your shortage which has been prorated, added to your monthly payment and will be collected from you over a 12 month period.

Page 3\*

\*of coupon book.

# A: Payment breakdown

This section of your statement gives you details of what you should expect to pay for the month, including how much in taxes and insurance that will be paid by the funds in your escrow account. Here's a breakdown of all that is included in your monthly payment.

## 1. Anticipated escrow account disbursements

The total amounts to be paid over 12 months for escrowed items.

## 2. New monthly payment as follows

### Principal and interest

The principal element of your payment is that amount required by your loan to reduce the total balance of your account. The interest element is the amount required by your loan to repay the interest that has accumulated on your account.

### Required escrow payment

Your monthly required escrow payment is calculated by dividing the annual anticipated escrow account

disbursement by 12 months. You will find the account disbursement amounts in section one in the box to the right.

### Shortages/surplus

The amount being collected or credited to your monthly payment to make up for the shortfall or overage from the previous year. See FAQs for additional explanation.

### Buydown or assistance payments

Financial programs available to the homeowner to assist with the down payment and monthly obligation of the debt.

### Other

Miscellaneous amounts associated with your mortgage loan.

## 3. Total monthly payment

The sum of all line items listed under the new monthly payment.

Loan Number: **000000000**

### ANNUAL ESCROW ACCOUNT ANALYSIS AND CHANGE OF PAYMENT NOTICE

TIAA Bank has completed an analysis of your escrow account. We have adjusted your mortgage payment to reflect changes in your real estate taxes or property insurance. The escrow item to be disbursed from your account are itemized to the right. If you have questions regarding this analysis, please write our Client Solutions Team at TIAA Bank, or call our toll-free number, 1-888-882-3837.

**PLEASE SEE THE FOLLOWING PAGE[S] FOR FURTHER DETAILS.**

PLEASE KEEP THIS STATEMENT FOR COMPARISON WITH THE ACTUAL ACTIVITY IN YOUR ACCOUNT AT THE END OF THE NEXT ESCROW ACCOUNTING COMPUTATION YEAR.

**1**

### ANTICIPATED ESCROW ACCOUNT DISBURSEMENTS

COUNTY TAX	\$ 000.00
HAZARD INS	\$ 000.00
INSURANCE	\$ 000.00

**2**

### NEW MONTHLY PAYMENT IS AS FOLLOWS:

Principal and Interest	\$ 000.00
Required Escrow Payment	\$ 000.00
Shortage/Surplus	\$ 000.00
Other Insurance/Products/Services	\$ 000.00
Buydown or Assistance Payments	\$ 000.00
Other	\$ 000.00

**3**

<b>TOTAL MONTHLY PAYMENT</b>	<b>\$ 000.00</b>
<b>NEW PAYMENT EFFECTIVE:</b>	<b>MM/DD/YYYY</b>

Escrow Account Analysis

# B: Projections for coming year

Here you will see the projected payments, disbursements and monthly balances for the coming year.

## 4. Payments to escrow accounts

The amount from your monthly payment that will be put towards your escrow.

## 5. Payments from escrow account

The items that are projected to be paid from the escrow account.

## 6. Escrow account balance

The Projected Escrow Account Balance is calculated by taking the escrow balance at the time of the escrow analysis, adding in all payments and subtracting all scheduled disbursements for the effective period of the analysis.

The Required Escrow Account Balance is the amount of escrow funds needed to bring your escrow balance to its required reserve balance over the effective period of the analysis.

Loan Number: **0000000000**      **ANNUAL ESCROW 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 escrow account.

	<b>4</b> PAYMENTS TO ESCROW ACCT.		<b>5</b> PAYMENTS FROM ESCROW ACCT.			<b>6</b> ESCROW ACCT. BALANCE	
	INITIAL DEPOSIT	MIP/PMI	TAXES	FLOOD	HAZ. INS.	PROJECTED	REQUIRED
JUN	\$000.00					\$000.00	\$000.00
JUL	\$000.00					\$000.00	\$000.00
AUG	\$000.00		\$000.00			\$000.00	\$000.00
SEP	\$000.00					\$000.00	\$000.00
OCT	\$000.00					\$000.00	\$000.00
NOV	\$000.00					\$000.00	\$000.00
DEC	\$000.00					\$000.00	\$000.00
JAN	\$000.00					\$000.00	\$000.00
FEB	\$000.00		\$000.00		\$000.00	\$000.00-	\$000.00 *
MAR	\$000.00					\$000.00	\$000.00
APR	\$000.00					\$000.00	\$000.00
MAY	\$000.00					\$000.00	\$000.00

\*Indicates your projection low point of \$000.00-. Your required reserve balance is \$000.00. This amount represents 0, 1 or 2 monthly escrow payments less any monthly MIP/PMI payments. This is 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 \$000.00. This is your shortage which has been prorated, added to your monthly payment and will be collected from you over a 12 month period.

# C: Escrow account history

In this section, you will find the payments, disbursements and monthly balances for the year. It compares the amounts that were projected in your last escrow analysis and the actual activity that occurred.

## 7. Payments to escrow accounts

The projected and actual amounts from your monthly payment that was put towards your escrow.

## 9. Escrow account balance

The projected and actual amount of funds left in the escrow account after payments from the escrow account were made.

## 8. Payments from escrow account

The projected and actual amounts that were paid from the escrow account.

Loan Number: 000000000 ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT ACCOUNT HISTORY								
MONTH	7 PAYMENTS TO ESCROW ACCT.		8 PAYMENTS FROM ESCROW ACCT.		DESCRIPT	9 ESCROW ACCT. BALANCE		
	PROJECTED	ACTUAL	PROJECTED	ACTUAL		PROJECTED	ACTUAL	
<b>STARTING BALANCE</b>								
NOVYY	\$000.00	\$000.00*		\$000.00*	CNTY TAX	\$000.00	\$000.00	\$000.00
DEC	\$000.00	\$000.00		\$000.00*	PROP INS	\$000.00	\$000.00	\$000.00
JAN	\$000.00	\$000.00	\$000.00	*	CNTY TAX	\$000.00	\$000.00	\$000.00
FEB	\$000.00	\$000.00	\$000.00	*	PROP INS	\$000.00	\$000.00	\$000.00
MAR	\$000.00	\$000.00	\$000.00	*	PROP INS	\$000.00	\$000.00	\$000.00
APR	\$000.00	\$000.00		\$000.00*	PROP INS	\$000.00	\$000.00	\$000.00
MAY	\$000.00	\$000.00		\$000.00*	PROP INS	\$000.00	\$000.00	\$000.00
JUN	\$000.00	*		\$000.00*	PROP INS	\$000.00	\$000.00	\$000.00
JUL	\$000.00	*				\$000.00	\$000.00	\$000.00
AUG	\$000.00	*		*	CNTY TAX	\$000.00	\$000.00	\$000.00
SEP	\$000.00	*	\$000.00			\$000.00	\$000.00	\$000.00
OCT	\$000.00	*				\$000.00	\$000.00	\$000.00

# Frequently asked questions

## What is an escrow account?

An escrow account is a separate account established by TIAA Bank to ensure the payment of property taxes, hazard insurance, flood insurance (if applicable), and FHA insurance or private mortgage insurance (MIP or PMI). Each month a portion of the scheduled monthly mortgage payment is set aside in an escrow account and is used to pay property taxes and insurance premiums associated with your mortgage loan. When it is time to pay those escrow items, we will disburse payments from the funds set aside in your escrow account.

## What is an annual escrow account statement?

An Annual Escrow Account Statement, also called an “escrow analysis,” provides a review of this account over the last 12 months as well as a projection of anticipated taxes and insurance premiums for the next 12 months.

## How often does an escrow analysis occur?

The Real Estate Settlement Procedures Act (RESPA) requires TIAA Bank to analyze escrow accounts at least once a year. However, an escrow analysis may occur more often than once a year in certain circumstances, such as:

- Receipt of a property tax or insurance refund
- Written request from the customer
- Repayment of an escrow shortage

## What is PMI/MIP?

Private mortgage insurance (PMI) is an insurance policy used in conventional loans that protects the lenders from risk of default and foreclosure and allow buyers who cannot make a significant down payment to obtain mortgage financing at affordable rates.

Mortgage insurance premium (MIP) is an insurance policy used with FHA loans if your down payment is less than 20%. The FHA assesses an annual MIP that is calculated every year and paid in 12 installments.

## What is an escrow shortage?

A shortage occurs when your escrow account lacks the necessary funds to pay the property tax and/or insurance premiums plus allowable reserve balance. A shortage is often caused by an unexpected increase in your annual property taxes or insurance premium(s). If a shortage occurs, and you do not elect to pay it in full in a lump sum payment and if the amount of the shortage is less than or equal to one month of escrow payment, it will be collected in the next monthly payment. Otherwise, the amount of the shortage will be divided into 12 monthly payments and added to your mortgage payment.

## What is an escrow overage or surplus?

An overage or surplus occurs when your escrow analysis is performed and it is determined that there are more funds in your escrow account than are needed to pay your insurance and property tax obligations for the year. As long as your mortgage payments are current, and the overage is \$50 or more, the escrow overage will be refunded to you. Otherwise, the overage will remain in your escrow account as a credit towards next year's escrow payment.

## Why did my escrow payment change?

If your taxes and/or insurance change during the next year or if your monthly escrow balance falls below the minimum there may be an increase or decrease in your monthly payment. Changes in property taxes and/or insurance can impact your payment.

For assistance with understanding why you experienced changes in property taxes or insurance payments you may contact your local tax collector and/or the insurance company through which your insurance policy is held.

