

UNDERSTANDING YOUR ESCROW ANALYSIS

Hebron Savings Bank reviews your escrow account at least once a year and sends you the results in your escrow account disclosure statement. Here is a guide to the information contained in the statement.

PROJECTIONS FOR THE COMING YEAR (Page 1)

Account Summary and Contact Information

The top section of the first page lists the loan account details and includes customer service information if you need assistance.

Payment information

This section contains the payment change information. It shows your current monthly payment amount, your new monthly payment amount, and the date when the new payment goes into effect. This payment amount will vary depending on whether you have a shortage, a deficiency, or a surplus in the account, as well as the projected total to be paid from the account in the coming year.

First Analysis Statements

For loans going through the escrow analysis for the first time, a statement of the actual payments, disbursements, and escrow balance for the year is displayed, along with any anticipated activity. No projections from previous years are displayed on the first analysis statements.

Escrow Projection Summary

The projection summary section estimates activity in your escrow account for the upcoming year based on the payments anticipated to be made from the account.

The projected disbursement summary displays the type of disbursement, the annual amount to be disbursed, and the escrow account balance summary. This account balance summary displays the starting escrow balance and anticipates the escrow balance after disbursing the anticipated payments. The result of this determines whether there is a shortage, a deficiency, or a surplus in your escrow balance.

Payment information that appears if you have a shortage or a deficiency.

If you have a shortage or a deficiency – meaning that we have had to pay more out of your escrow account than you deposited into it – you will typically see two different options for your new payment amount:

- **Option 1** includes “shortage” and “deficiency” amounts in your new monthly payment. The shortage and deficiency amounts will be divided by twelve and added to your escrow

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payment. It takes effect if you choose not to pay for your entire shortage or deficiency upfront.

- **Option 2** takes effect if you choose to pay your entire shortage up front. It does not include a “shortage” amount in your new monthly payment.

If your statement does include an option to pay the entire amount upfront, there will be a shortage payment coupon enclosed with your statement. If you choose this option, please remit the coupon along with your remittance payment to the address displayed on the disclosure.

ACCOUNT HISTORY (Page 2)

This is an accounting of the actual activity in your escrow account for the preceding year and the total interest earned and paid to the account.

PROJECTED DISBURSEMENTS FROM PREVIOUS YEARS ANALYSIS (Page 3)

This is a copy of the “Projections for the Year” (Page 1) of your escrow analysis performed last year. You can compare what was anticipated to be disbursed with the account history (Page 2) of the enclosed analysis of what was actually paid.