


# Guide to Understanding Your Escrow Statement

Once a year, we are required by law to review your escrow account to determine if the escrow portion of your monthly mortgage payment is sufficient to cover the annual requirements for your property taxes and/or insurance. Increases or decreases to the escrow portion of your monthly mortgage payment are typically the result of changes in your property taxes and/or insurance. The Escrow Account Disclosure Statement details your escrow account changes and how it will impact your monthly mortgage payment for the next 12 months.

## Note for Automatic Payments:

If your mortgage payment amount changes after an escrow analysis, you will need to monitor it to ensure the payment adjusts properly.

## Sample Escrow Statement



9053 Jefferson Highway  
Maple Grove, MN 55369  
www.TopLinecu.com  
Ask@TopLinecu.com  
763-391-9494 | 800-625-1448

**ESCROW ACCOUNT DISCLOSURE STATEMENT**

Statement Date	12-01-2023
Account Number	
Escrow Shortage	\$755.49

**ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT  
PROJECTIONS FOR COMING YEAR THRU**

This is an estimate of activity in your escrow account during the coming year based on payments anticipated to be made from your account.

Month/Year	Payments To Escrow Account	Payments From Escrow Account	Description	Projected Escrow Balance
Required Starting Balance.....				2,427.41
02-2024	403.64	0.00		2,831.05
03-2024	403.64	0.00		3,234.69
04-2024	403.64	0.00		3,638.33
05-2024	403.64	1,625.60	Auto Owners Insurance	2,416.37
		1,609.09	Anoka County	807.28
06-2024	403.64	0.00		1,210.92
07-2024	403.64	0.00		1,614.56
08-2024	403.64	0.00		2,018.20
09-2024	403.64	0.00		2,421.84
10-2024	403.64	1,609.09	Anoka County	1,216.39
11-2024	403.64	0.00		1,620.03
12-2024	403.64	0.00		2,023.67
01-2025	403.64	0.00		2,427.31

Under Federal Law, your lowest monthly balance should not exceed \$807.28 or 2 months of the anticipated payments from escrow. We chose a low balance of \$807.28 or 1/6th of anticipated payments from escrow. In order to achieve this low balance, your starting balance should be \$2,427.41 as shown above.

In fact, your anticipated escrow balance at the beginning of 02-2024 is \$1,671.92. This means that you have a shortage of \$755.49. This shortage may be collected from you over a period of 12 months unless the shortage is less than 1 month's deposit, in which case we have the additional option of requesting payment within 30 days. We have decided to collect it over 12 months.

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

Your new monthly mortgage payment for the coming year starting 02-2024 will be \$1,016.30 of which \$549.70 will be for principal and interest, and \$466.60 will go into your escrow account.

### 1 Projected Escrow Payments for the Coming Year

This shows the estimated escrow payments to and from your account for the upcoming year.

### 2 Required Low Balance

This shows the minimum balance anticipated in your escrow account.

### 3 Escrow Surplus, Shortage and/or Deficiency Calculation

This section explains the surplus, shortage and/or deficiency in your account based on the current escrow balance and your projected balance. The surplus, shortage and/or deficiency amounts are typically due to changes in property taxes and/or insurance premiums.

### 4 New Monthly Mortgage Payment

Your new monthly mortgage payment based on the new escrow payment and any shortage and/or deficiency to be paid over the next 12 months

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**ESCROW ACCOUNT DISCLOSURE STATEMENT**

Statement Date	12-01-2023
Account Number	
Escrow Shortage	\$755.49

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT  
ACCOUNT HISTORY

This is a statement of the activity in your escrow account from 02-2023 up to the beginning of your new escrow computation year - 02-2024.

Your monthly mortgage payment for the period was \$909.36 of which \$549.70 was for principal and interest, and \$359.66 went into your escrow account.

The following compares Actual Activity to Prior Projection:

Month/Year	Projected Payments To Escrow	Actual Payments To Escrow	Projected Payments From Escrow	Actual Payments From Escrow	Escrow Balance Projected	Escrow Balance Actual
Starting Balance					2,199.78	2,199.78
02-23	359.66	359.66	0.00	0.00	2,559.44	2,559.44
03-23	359.66	359.66	0.00	0.00	2,919.10	2,919.10
04-23	359.66	359.66	0.00	1609.09*Anoka County	3,278.76	1,669.67
05-23	359.66	359.66	1522.19	1625.60*Auto Owners Insurance	719.32	403.73
			1396.91	0.00*		
			-0.00	0.00*		
06-23	359.66	359.66	0.00	0.00	1,078.98	763.39
07-23	359.66	359.66	0.00	0.00	1,438.64	1,123.05
08-23	359.66	359.66	0.00	0.00	1,798.30	1,482.71
09-23	359.66	359.66	0.00	1609.09*Anoka County	2,157.96	233.28
10-23	359.66	359.66	1396.91	0.00*	1,120.71	592.94
11-23	359.66	359.66	0.00	0.00	1,480.37	952.60
12-23	359.66	0.00	0.00	0.00*	1,840.03	952.60
				Anticipated		1,312.26
01-24	359.66	0.00	0.00	0.00*	2,199.69	1,312.26
				Anticipated		1,671.92

An asterisk (\*) indicates a difference from a previous estimate either in the date of the amount.

On your prior statement, we anticipated that payments from your account would be made during the escrow computation year totaling \$4,316.01. Under Federal Law, your lowest monthly balance should not have exceeded \$719.32 or 1/6th of anticipated payments. We chose a low balance of \$719.32 or 1/6th of anticipated payments from escrow.

Your low balance which was to have occurred at the end of 05-2023 did not exceed this amount. The asterisks on this statement may help you identify the reason.

### Statement of Escrow Account History

View all of your escrow activity from the prior year.

### Paying the Shortage/Deficiency in Full

You have the option to pay your shortage and deficiency in full by mailing a check for the full amount by the due date listed. If you pay your shortage/deficiency in full, your new monthly payment is listed.

Remittance coupon and full shortage/deficiency payment can be mailed to:  
 TopLine Financial Credit Union  
 Attn: Mortgage Servicing  
 9353 Jefferson Highway  
 Maple Grove, MN 55369

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**ESCROW ACCOUNT DISCLOSURE STATEMENT**

Statement Date	12-01-2023
Account Number	
Escrow Shortage	\$755.49

ESCROW ANNUAL INFORMATION

Paid Into Escrow	4,315.92	Paid Out of Escrow	4,843.78
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ITEMIZED DISBURSEMENTS

Anoka County	3,218.18
Auto Owners Insurance	1,625.60

PAYMENT CHANGE NOTIFICATION

If the escrow shortage/deficiency of 755.49 is not paid before 01-05-2024, your escrow payments starting on 02-01-2024 will be:

Escrow	466.60
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If the escrow shortage of 755.49 is paid before 01-05-2024, your escrow payments starting on 02-01-2024 will be:

Escrow	403.64
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If you have an escrow shortage and choose to pay it, the payment must be sent to our Escrow Department prior to the date given. After this date, your shortage will be spread over the next 12 months and you will begin your new payment schedule.

Total new payment with alternative escrow: 953.34

Total new payment with spread escrow payment: 1,016.30

P&I Payment is: 549.70

\* Thank you for using TopLine Financial Credit Union for your financial needs.

## Escrow Account Frequently Asked Questions

### **Q: What is an Escrow Account?**

A: It is a special account established to assure the following types of payments are managed and paid timely:

- Real estate taxes
- Homeowners insurance
- Flood insurance (if applicable)
- Private mortgage insurance (if applicable)

### **Q: What is an Escrow Analysis?**

A: An escrow analysis is an annual review of the amounts put into and paid out of your escrow account. This review identifies if there is too much (surplus), too little (shortage) or a negative balance (deficiency) in your account. The Annual Escrow Account Disclosure Statement we send you is the result of our analysis.

### **Q: How is the lowest projected balance point determined?**

A: The low-point equals the lowest monthly escrow balance during the 12-month projection and is referred to as escrow account cushion. An escrow cushion or required low balance is a portion of your monthly mortgage payment that is set aside as an additional safeguard to cover unanticipated disbursements such as increases in property taxes or insurance premiums. The maximum allowable cushion is equal to two months or one-sixth of the annual escrow disbursements. Mortgage insurance (PMI) is not included in the required low-point calculation. An escrow balance is projected for a 12-month period, assuming that TopLine Financial Credit Union receives regular payments and makes regularly scheduled disbursements.

### **Q: What is an escrow account projection?**

A: Escrow projection is an estimate of activity in your escrow account during the coming year. Escrow account projection shows an estimate of deposits and payments including the possible due date and an estimated account balance each month. The projection section of the Annual Escrow Account Disclosure Statement has a summary of the new monthly payment amount.

### **Q: Why did my monthly escrow payment increase?**

A: The monthly escrow payment amount may increase because the actual balance in your escrow account is less than the amount of funds needed to pay your tax and insurance bills. This can occur as a result of:

- An increase in your property tax assessment or insurance premium
- Actual deposit or payment from escrow is different from a previous estimate
- Tax reassessment on new construction

### **Q: If I choose to pay my entire shortage/deficiency in full, where do I send it?**

A: Please mail the remittance coupon and full shortage/deficiency payment to:

TopLine Financial Credit Union

Attn: Mortgage Servicing

9353 Jefferson Highway

Maple Grove, MN 55369

### **Q: Will my payment amount remain the same if I pay my shortage/deficiency in full?**

A: No, however, paying you shortage/deficiency in full will minimize your payment increase.