# Understanding Your Escrow Account Disclosure Statement



We want to make it easy to understand information about your mortgage loan. This guide outlines your Annual Escrow Account Disclosure Statement, explains the items that may appear on it and includes a list of frequently asked questions for your reference. If you have any questions, please call 800.844.2400. Representatives are available Monday - Friday, 8:00 a.m. – 5:00 p.m., CT.

# 1 Contact Information

Customer Service Department – Call us at 800.844.2400 if you have questions.

Mortgage Access – Manage your account online: access your loan balance, make payments, review escrow information and more at

https://trustmark.com/myTrustmarkMortgage.

Statement Date - The date of the statement.

Payment Due Date - The date your monthly payment is due.

Account Number - The number assigned to your loan.

# 2 Payment Information

Analysis Date - The date of your escrow analysis.

Mortgage Payment - A comparison of your present monthly payment to your new monthly payment. Your new payment amount is displayed in addition to the effective date of the new payment change.

# **3** Your Escrow Account Projection

Your escrow account projection identifies an escrow shortage or surplus and shows a schedule of payment and disbursement activity within your escrow account as anticipated for the coming year. These are only projections based on the most recent bills. The actual amounts billed may be different.

# 4 Determining Your Escrow Shortage/Surplus

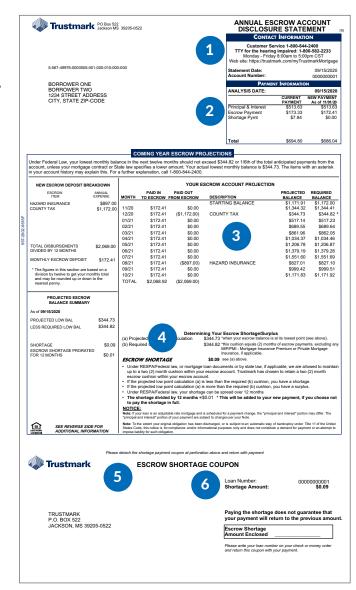
Your required escrow balance is based upon the anticipated disbursement amounts and due dates. If the Projected Balance is less than the Required Balance, a shortage is revealed. If the projected Balance is greater than the Required Balance, the escrow account has a surplus.

# 5 Escrow Shortage Coupon or Escrow Surplus Check

Depending upon whether you have a shortage or a surplus, your statement will either include an escrow shortage coupon to cover the shortage or indicate that a surplus check will be mailed to you within 15 days of the escrow analysis.

# 6 Shortage Amount

If you have a shortage and elect to pay this amount with a lump sum payment, submit a check for the full amount along with the attached "Escrow Shortage Coupon." Once received, your monthly payment will be adjusted accordingly.



The reverse side of your Escrow Account Disclosure Statement provides projections from your last analysis and compares it to the actual activity.

# **Frequently Asked Questions**



#### What is an Escrow Account?

An escrow account is a separate account that is provided to pay your property tax and/or insurance. We collect a portion of your mortgage payment and apply it to your escrow account, which we use to pay your property tax and insurance premiums on your behalf when they become due.

### What is an Escrow Analysis?

An escrow analysis is a review of your escrow account to determine if the current monthly escrow payment is enough to pay taxes, insurance and other bills when due. Escrow analyses are typically run annually. Occasionally, the payment of taxes or insurance causes the escrow account to reach a negative balance (escrow deficiency), and it may be necessary to perform more than one analysis during the year.

#### How often are escrowed loans analyzed?

Trustmark analyzes contractually current escrowed loans once every 12 months to determine the appropriate monthly escrow deposit.

Additional analysis or payment adjustments may be necessary when significant changes in disbursement amounts of escrowed items occur.

## What does an escrow analysis reveal?

An analysis determines if adjustments need to be made to the escrow deposit based on escrow disbursements in an upcoming year. If Trustmark has disbursed an amount higher than anticipated for any escrowed item(s), generally a shortage is created, and a payment coupon will accompany the analysis. If Trustmark disbursed an amount lower than anticipated for any escrowed item(s), generally an overage is created, and in most cases, we'll mail you a check for that amount.

### Why do escrow deposits change?

When changes in your taxes and/or insurance occur or your escrow account is short, your escrow deposit will adjust resulting in a new monthly payment. This may cause your monthly payment to increase or decrease.

### Is it necessary to have a cushion in my escrow account?

Yes, Trustmark requires a two-month escrow cushion, where permitted by state law, to protect against unanticipated disbursements.

### What's a minimum balance?

Sometimes taxes and insurance are higher than expected. To be prepared, you're required to keep a minimum balance in your account at all times. This helps make sure any unexpected increases are covered. Your minimum balance varies by state and is calculated to be no more than 2 months of escrow payments.

#### What's an escrow shortage?

If the funds in your escrow account are projected to be below your minimum balance at the lowest point in the 12-month period, you have a shortage. This can happen when your taxes or insurance premiums for the previous 12 months were more than expected, or if they're estimated to go up in the next 12 months.

You can make up a shortage in 1 of 2 ways:

- Pay it in full. Send a check for the full shortage amount prior to the effective date of the new payment, and the funds will be deposited into your escrow account.
- Pay it over 12 months. We'll add a portion to your monthly payment.

### How is a shortage collected?

Shortages are collected over a 12-month period.

## What's an escrow overage?

If your escrow account is projected to have more than the minimum balance required at its lowest point in the 12-month period, you have an overage. This happens when your taxes or insurance premiums for the previous 12 months were less than expected, or if they're estimated to go down in the next 12 months. In most cases, we'll send you a refund check for that amount.

### Why didn't I receive my escrow surplus check?

If your loan was past due at the time the escrow analysis was performed, your escrow surplus check will be disbursed when your loan becomes current. If you have not received your escrow surplus check after you've brought your loan current, please contact our Customer Service Department at 800.844.2400 and request the surplus check be mailed to you.

#### How can I get additional information on my escrow account?

If you need more information, please contact us at 800.844.2400 or visit our web site: https://trustmark.com/myTrustmarkMortgage.