

YOUR ESCROW ACCOUNT

Overview of the Escrow Account

Escrow is an account of money Virginia Housing maintains on your behalf. Funds are disbursed from the escrow account to pay your local real estate taxes, homeowners insurance and in some cases your mortgage insurance and/or flood insurance.

Under the terms of your mortgage, Virginia Housing is required to collect funds from you in order to maintain your escrow account. This ensures your escrow account has funds to pay the expenses.

When you pay your mortgage each month, a portion is applied to your principal and interest. The remainder is placed into the escrow account. This is typically one-twelfth of the total disbursement to pay expenses.

Overview of the Annual Escrow Analysis

Every year, Virginia Housing conducts an analysis of your escrow account. We do this to ensure the account has the required amount of funds so we can disburse upcoming payments on your behalf.

The locality where your home is located will determine when Virginia Housing analyzes your escrow account. For some customers it will be in February; for all others it will be in July.

Virginia Housing will always provide you with a summary of the results. The Annual Escrow Disclosure Statement (Figure A) is mailed to you in the same month your analysis is conducted. The information included in the Escrow Disclosure is an estimate based on the prior year's expenses paid. Included with the Escrow Disclosure is a short pamphlet (Figure B) that explains how to interpret the information.

Impact of the Annual Escrow Analysis

All customers will experience an analysis of their mortgage each year for the life of the loan. As a result of the analysis, the amount of money deposited into your escrow account may change. The amounts you owe for the principal and interest, however, will never change because of the escrow analysis. For some customers, the result of the analysis may cause their total monthly mortgage payment amount to decrease, while others may see an increase.

FIGURE A

ANNUAL ESCROW DISCLOSURE
Date Prepared: 07/20/2022
Loan Number: 999916
Property Address: 601 S BELVUE, RICHMOND, VA 23220-8549

Customer Service: 1-800-234-Monday - Friday: 8 a.m. to 6 p.m.
*Please have your loan number. Visit us online at www.vahousing.com

WHY AM I RECEIVING THIS STATEMENT?
Each year Virginia Housing reviews your escrow account to ensure it is properly funded. Base taxes and/or insurance premiums. This statement will provide details of all changes in your escrow account. This table shows how your escrow mortgage payments are changing.

As of the most recent review your escrow account has a **shortage of \$2,208.53**. Based on your escrow account will fall below the required minimum balance.

Your new monthly mortgage payment will be effective September 01.

	Current Payment	New Payment
Principal & Interest	\$577.13	\$577.13
Escrow payment	\$43.75	\$56.25
Shortage/Surplus	\$184.04	\$184.04
Total payment amount	\$620.88	\$633.42

WHY ARE MY PAYMENTS CHANGING?
Changes to your monthly escrow amounts are common. They're often a result of an increase or decrease in insurance premiums. This table shows how your escrow mortgage payments are changing.

Month/Year	Projected Payments (P)	Projected Disbursements (D)	Description	Escrow Balance	
				Projected	Required
September	\$6.25		Beginning Balance	\$2,194.15	\$212.50
October	\$6.25			2,200.40	848.75
November	\$6.25			1,985.55	2,752.50
December	\$6.25			1,979.30	281.25
January	\$6.25			\$8.10	317.50
February	\$6.25			1,985.55	602.00
March	\$6.25			1,979.30	548.25
April	\$6.25			1,973.05	494.50
May	\$6.25			1,966.80	440.75
June	\$6.25			1,960.55	387.00
July	\$6.25	\$16.00	FLOOD INS	1,954.30	333.25
August	\$6.25			1,948.05	279.50

Escrow Lowest Balance

	Lowest Balance Amount
Projected Escrow Lowest Balance for the coming year	-\$2,096.03
Required Escrow Lowest Balance	\$112.50
This difference created a shortage in your escrow account	-\$2,208.53

The difference shown above of -\$2,208.53 divided by 12 months is \$184.04.
* The required escrow lowest balance (reserve) is explained on page 2.

FIGURE B

Projections for the Coming Year
The following is the projection of activity in your escrow account from 09/2022 through 08/2023. Projected payments from escrow are based on the last insurance and property tax bill Virginia Housing received, or information provided to us by your settlement agent or local tax authority. The required Escrow Account balance is the amount that must be on hand as specified by Federal law. State law and your mortgage documents, and may include a cushion of up to 10% of your annual disbursements.

Month/Year	Projected Payments (P)	Projected Disbursements (D)	Description	Escrow Balance	
				Projected	Required
September	\$6.25		Beginning Balance	\$2,194.15	\$212.50
October	\$6.25			2,200.40	848.75
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May	\$6.25			1,966.80	440.75
June	\$6.25			1,960.55	387.00
July	\$6.25	\$16.00	FLOOD INS	1,954.30	333.25
August	\$6.25			1,948.05	279.50

* Escrow lowest balance (reserve): Under Federal law your escrow lowest balance should not exceed 10% (no more than 2 months) of the total amount of the projected escrow payments, unless your mortgage contract specifies a lower amount.

The projected lowest balance in your escrow account as of 09/30/22 will be -\$2,096.03. The allowable lowest balance in your escrow account should be \$112.50, which is equal to no more than 2 months of projected payments for insurance and property taxes. This means you have a shortage of -\$2,208.53.

Escrow Account History for the Prior Period
This statement displays actual activity as it occurred in your escrow account during that period. If you have received Account Projections with a prior analysis, they are included here again for comparison.

Month/Year	Payments (P)	Actual	Disbursements (D)	Actual	Lowest Balance	Actual
November	43.75	-	43.67	FHA RFP INS	\$63.75	\$216.99
December	43.75	-	43.67	FHA RFP INS	131.25	375.53
January	43.75	-	43.67	FHA RFP INS	175.00	436.50
February	43.75	-	43.67	FHA RFP INS	218.75	458.37
March	43.75	-	43.67	FHA RFP INS	262.50	502.64
April	43.75	-	43.67	FHA RFP INS	306.25	548.11
May	43.75	-	43.67	FHA RFP INS	350.00	594.38
June	43.75	-	43.67	FHA RFP INS	393.75	642.05
July	43.75	-	43.67	FHA RFP INS	437.50	690.72
August	43.75	-	43.67	FHA RFP INS	481.25	740.06
September	43.75	-	43.67	FHA RFP INS	525.00	790.06
October	43.75	-	43.67	FHA RFP INS	568.75	791.74
November	43.75	-	43.67	FHA RFP INS	568.75	833.40
December	43.75	-	43.67	FHA RFP INS	568.75	875.07
January	43.75	-	43.67	FHA RFP INS	568.75	916.74
February	43.75	-	43.67	FHA RFP INS	568.75	958.41
March	43.75	-	43.67	FHA RFP INS	568.75	1,000.08
April	43.75	-	43.67	FHA RFP INS	568.75	1,041.75
May	43.75	-	43.67	FHA RFP INS	568.75	1,083.42
June	43.75	-	43.67	FHA RFP INS	568.75	1,125.09
July	43.75	-	43.67	FHA RFP INS	568.75	1,166.76
August	43.75	-	43.67	FHA RFP INS	568.75	1,208.43
September	43.75	-	43.67	FHA RFP INS	568.75	1,250.10
October	43.75	-	43.67	FHA RFP INS	568.75	1,291.77
November	43.75	-	43.67	FHA RFP INS	568.75	1,333.44
December	43.75	-	43.67	FHA RFP INS	568.75	1,375.11
January	43.75	-	43.67	FHA RFP INS	568.75	1,416.78
February	43.75	-	43.67	FHA RFP INS	568.75	1,458.45
March	43.75	-	43.67	FHA RFP INS	568.75	1,500.12

Your Escrow Account

Remember, your Escrow Disclosure will list the results of the analysis at the bottom of the first page. There are two possible results: shortage or surplus.

Shortage means the amount of money in the escrow account is not enough to pay the anticipated expenses. You must send Virginia Housing a payment for the shortage amount.

Option 1: Pay the shortage amount in full in one payment. You would make this payment separately from your regular monthly mortgage payment.

Option 2: Pay a portion of the shortage amount each month over a 12-month period. The shortage payments are added onto your regular monthly mortgage payment, which will cause the total payment amount to increase.

Surplus means the amount of money in the escrow account is more than what is required to pay the anticipated expenses. Virginia Housing will refund the surplus amount in one of two ways.

Refund Method 1: If the surplus amount is greater than \$50, Virginia Housing will mail a check to you within 30 days of when you received the Escrow Disclosure.

Refund Method 2: If the surplus amount is less than \$50, Virginia Housing would apply the amount as a credit to your mortgage account. This means your regular monthly mortgage payments would decrease temporarily until the credit is applied in full.

Escrow Lowest Balance		Lowest Balance Amount
Projected Escrow	Projected Balance for the coming year	-\$2,096.03
Required Escrow		\$112.50
This difference		
The difference		

Escrow Lowest Balance		Lowest Balance Amount
Projected Escrow	Projected Escrow Lowest Balance for the coming year	\$2,991.63
Required Escrow	Required Escrow Lowest Balance	\$1,189.22
This difference	This difference created a surplus in your escrow account	\$1,802.41

If the escrow surplus is over \$50, it will be mailed to you within 30 days of this notice. If less than \$50, refer to the new payment breakdown for the surplus credit included in your payment.

What You Should Do:

Review your Escrow Disclosure each year to verify the information and to identify how your total monthly mortgage payment amount might change.

For Frequently Asked Questions, visit VirginiaHousing.com/Homeowners. To learn more about the history of your escrow account or to view information about your mortgage, visit Virginia Housing's secure portal at VirginiaHousing.com/ManageYourMortgage.

For more information, visit: VirginiaHousing.com/Homeowners, VirginiaHousing.com/Serviceing