

# Understanding Your Escrow Statement

An escrow account is an account set up on the borrower's behalf to pay any property taxes, property insurance, and/or mortgage insurance that are due throughout the year.

Every year, Spirit of Alaska estimates how much the owner of the home should include in their payment to meet these obligations during the course of the year. If costs increase, you will have a shortage in your escrow account. If costs go down, you may end up with a surplus.



Statement Date: 11-14-2019  
 Account Number: [REDACTED]  
 Escrow Balance: \$355.30

For Customer Inquiries Call:  
 1-907-459-5974

**ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT**  
**PROJECTIONS FOR COMING YEAR 01-2020 THRU 12-2020**

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				1,357.29
01-2020	452.41	0.00		1,809.70
02-2020	452.41	0.00		2,262.11
03-2020	452.41	1,029.00	Umialik Insurance Company	1,685.52
04-2020	452.41	0.00		2,137.93
05-2020	452.41	0.00		2,590.34
06-2020	452.41	0.00		3,042.75
07-2020	452.41	0.00		3,495.16
08-2020	452.41	2,199.99	Fairbanks North Star Borough	1,747.58
09-2020	452.41	0.00		2,199.99
10-2020	452.41	2,199.99	Fairbanks North Star Borough	452.41
11-2020	452.41	0.00		904.82
12-2020	452.41	0.00		1,357.23

Under Federal Law, your lowest monthly balance should not exceed \$904.83 or 2 months of the anticipated payments from escrow. We chose a low balance of \$452.41 or 1/12th of anticipated payments from escrow. In order to achieve this low balance, your starting balance should be \$1,357.29 as shown above.

In fact, your anticipated escrow balance at the beginning of 01-2020 is \$804.03. This means that you have a shortage of \$553.26. 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 01-2020 will be \$1,666.94 of which \$1,168.42 will be for principal and interest, and \$498.52 will go into your escrow account.

## PROJECTED ESCROW PAYMENTS

Pg. 1 covers projected escrow payments for the next year.

## PROJECTED BEGINNING BALANCE

This number is what we project your balance **needs to be** to cover your costs next year.

This figure, compared to the **END OF YEAR ESCROW BALANCE** from pg. 2, will determine a **shortage or surplus**

## SHORTAGE/SURPLUS

Your shortage or surplus is shown here. **If a shortage, you have two options:**

### SHORTAGE OPTION 1

Pay the shortage in full. Once paid in full, your escrow payment will be this number, which will be added to your principal and interest payments.

### SHORTAGE OPTION 2

Have the shortage collected over a period of 12 months in your new payment. In that case, this figure will be your new escrow payment and added to your principal and interest payments.

## HISTORY OF ESCROW PAYMENTS

Page Two covers your **history of escrow payments** for 2019, what we projected might happen, and then what actually happened.

## END OF YEAR ESCROW BALANCE

Here is the balance we anticipate will be in your escrow account at the end of 2019.

(This figure compared to what we project your starting balance needs to be (from page 1) will determine a shortage or surplus)

**ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT**  
**ACCOUNT HISTORY**

This is a statement of the activity in your escrow account from 01-2019 up to the beginning of your new escrow computation year - 01-2020.

Your monthly mortgage payment for the period was \$1,617.15 of which \$1,168.42 was for principal and interest, and \$448.73 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					1,246.59	848.25
01-19	415.53	448.73	0.00	0.00*	1,662.12	1,296.98
02-19	415.53	448.73	0.00	1029.00*Umialik Insurance Company	2,077.65	716.71
03-19	415.53	448.73	964.00	0.00*	1,529.18	1,165.44
04-19	415.53	448.73	0.00	0.00*	1,944.71	1,614.17
05-19	415.53	448.73	0.00	0.00*	2,360.24	2,062.90
06-19	415.53	448.73	0.00	0.00*	2,775.77	2,511.63
07-19	415.53	448.73	0.00	0.00*	3,191.30	2,960.36
08-19	415.53	448.73	2011.18	2199.99*Fairbanks North Star Borough	1,595.65	1,209.10
09-19	415.53	448.73	0.00	0.00*	2,011.18	1,657.83
10-19	415.53	448.73	2011.18	2199.99*Fairbanks North Star Borough	415.53	-93.43
11-19	415.53	448.73	0.00	0.00*	831.06	355.30
12-19	415.53	448.73	0.00	0.00*	1,246.59	355.30
				Anticipated		804.03

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

On your prior statement, we anticipated that payments from your account would be made during the escrow computation year totaling \$4,986.36. Under Federal Law, your lowest monthly balance should not have exceeded \$831.06 or 1/6 of anticipated payments. We chose a low balance of \$415.53 or 1/12th of anticipated payments from escrow.

Your low balance which was to have occurred at the end of 10-2019 did not exceed this amount. The asterisks on this statement may help you identify the reason.

After reviewing this document, if you have any questions, please contact the Mortgage Department at 907-459-5974.

