

Annual Escrow Analysis

Loan Summary

Current escrow balance and loan number.

Projections for Coming Year

Estimate of activity projected for your escrow account for the coming year.

Computations of Your Escrow Account

This section shows the calculation of your escrow account shortage or surplus. Two factors are used in this calculation:

Anticipated Escrow Balance -

This is calculated by taking the escrow balance at the time of the escrow analysis, adding in all payments up to the effective date of the analysis and subtracting all scheduled disbursements up to the effective date of the analysis.

Target Escrow Balance -

This is the amount of money required in your escrow account on the effective date of the analysis to bring your escrow account balance to its lowest point over the coming 12 months. The lowest point is zero plus the allowed reserve as guided by the Real Estate Settlement and Procedures Act (RESPA).

New Payment Breakdown

This is your new payment date and the total monthly payment from the current escrow analysis.

Prior Payment Breakdown

Total monthly payment from the last analysis.

Comparing Prior Projections to the Actual Payments

Compare the escrow account activity that was projected at the time of your last escrow analysis with the actual escrow account activity. There are two major columns in this section:

The **Projected Payments** columns reflect the information from the last escrow analysis: the amounts expected to be paid into the escrow account and the bill amounts expected to be disbursed from your last analysis.

The **Actual Payments** columns display the actual payments made into the escrow account and the actual bill amount disbursed from the escrow account during the same period.

The amounts to be disbursed were projections – as a result, the actual amounts paid may be different from the projected amounts. The actual amounts will affect the total escrow account shortage or surplus.

Note: If 1st Security Bank did not originate your mortgage loan or if you loan was recently transferred to 1st Security Bank by another mortgage servicer, your prior projection information may not be available.

Annual Payment Information

Summary of the amount paid in and out of your escrow account since the last escrow analysis was processed.

Itemized Disbursements

Individual items paid from the escrow account. If a bill is not listed in this section, it may not have been paid.

1st Security Bank of Washington
PO Box 97000
Lynnwood WA 98046

Statement Date: 06-17-2024
Account Number: 515000000
Escrow Balance: \$2,298.85

For Customer Inquiries Call:
(800) 683-0973 Ext. 2327

John Smith
Jane Smith
123 Main Street
Mountlake Terrace WA 98043

**ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT
PROJECTIONS FOR COMING YEAR 09-2024 THRU 08-2025**

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				3,637.24
09-2024	606.20	0.00		4,243.44
10-2024	606.20	3,209.72	King County	1,639.92
11-2024	606.20	0.00	Travelers	1,391.12
12-2024	606.20	0.00		1,997.32
01-2025	606.20	0.00		2,603.52
02-2025	606.20	0.00		3,209.72
03-2025	606.20	0.00		3,815.92
04-2025	606.20	3,209.72	King County	1,212.40
05-2025	606.20	0.00		1,818.60
06-2025	606.20	0.00		2,424.80
07-2025	606.20	0.00		3,031.00
08-2025	606.20	0.00		3,637.20

Under Federal Law, your lowest monthly balance should not exceed \$1,212.40 or 2 months of the anticipated payments from escrow. We chose a low balance of \$1,212.40 or 1/6th of anticipated payments from escrow. In order to achieve this low balance, your starting balance should be \$3,637.24 as shown above.

In fact, your anticipated escrow balance at the beginning of 09-2024 is \$3,395.94. This means that you have a shortage of \$241.30. 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 09-2024 will be \$2,444.81 of which \$1,818.50 will be for principal and interest, and \$626.31 will go into your escrow account.

**ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT
ACCOUNT HISTORY**

This is a statement of the activity in your escrow account from 09-2023 up to the beginning of your new escrow computation year = 09-2024.

Your monthly mortgage payment for the period was \$2,471.88 of which \$1,818.50 was for principal and interest, and \$653.38 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	Description	Escrow Balance Projected	Escrow Balance Actual
Starting Balance						3,557.24	2,831.16
9-23	592.87	653.38	0.00	0.00*		4,150.11	3,484.54
10-23	592.87	653.38	3211.23	3211.06*	King County 855.00*Travelers	1,531.75	71.86
11-23	592.87	653.38	692.00	0.00*		1,432.62	725.24
12-23	592.87	653.38	0.00	0.00*		2,025.49	1,378.62
01-24	592.87	653.38	0.00	0.00*		2,618.36	2,032.00
02-24	592.87	653.38	0.00	0.00*		3,211.23	2,685.38
3-24	592.87	653.38	0.00	0.00*		3,804.10	3,338.76
4-24	592.87	653.38	3221.23	3209.72*	King County	1,185.74	782.42
5-24	592.87	653.38	0.00	0.00*		1,778.61	1,435.80
6-24	592.87	653.38	0.00	0.00*		2,371.48	2,089.18
7-24	592.87	0.00	0.00	0.00*		2,964.35	2,089.18
		653.38			Anticipated		2,742.56
8-24	592.87	0.00	0.00	0.00*		3,557.22	2,742.56
		653.38			Anticipated		3,395.94

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 \$7,114.46. Under Federal Law, your lowest monthly balance should not have exceeded \$1,185.74 or 1/6th of anticipated payments. We chose a low balance of \$1,185.74 or 1/6th of anticipated payments from escrow.

Your low balance which was to have occurred at the end of 04-2024 did not exceed this amount. The asterisks on this statement may help you identify the reason.

ESCROW ANNUAL INFORMATION

Paid Into Escrow	6,533.80	Paid Out of Escrow	7,275.78
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ITEMIZED DISBURSEMENTS

King County	6,420.78
Travelers	855.00

Important Payment Information and Reminders

If your monthly mortgage payment is INCREASING, please read this important information:

Increases in your monthly mortgage payment as a result of an escrow analysis are most commonly due to increases in property taxes and or homeowners insurance.

- If you have questions about an increase in your property taxes, please contact your local taxing authority; they are the best source for information to explain any changes in your tax bill.
- If you have questions about an increase in your homeowners insurance premiums, please contact your insurance company or their local agent; they are the best source for information to explain any changes in your annual premium.

If your monthly mortgage payment is DECREASING, please read this important information:

An Escrow Analysis may result in a surplus for many reasons. Under certain conditions, you may wish to return the surplus to your escrow account. The most common reasons are:

- Land Value/Partially assessed real estate tax amounts for newly constructed homes. A surplus may result if the initial escrow deposit collected at closing is based on an estimate of the fully assessed property value and the actual tax payment for the first year is based on land value only.
- Decrease in escrow bill amount. If the amount of your real estate taxes or insurance decreased since the date of your

Important Reminder - Updating Your Payment:

- If you make your payments from an external bank or through Online Banking, please update your payment amount prior to making your September 2024 payment.