Understanding Your Statement Is Easy
An escrow account is established on your behalf to make it easier for you to make your payments for property taxes, homeowners insurance, flood insurance, and private mortgage insurance (if necessary).

Reading Your Annual Escrow Statement

1. Anticipated Escrow Account Disbursement
   Escrow disbursements are the payments Bayview expects to make from your escrow account over the next year. This includes an estimate of your payments to city and/or county tax, hazard and/or flood insurance, and private mortgage insurance.

2. Total New Payment
   This is the total amount of your new monthly mortgage payment, which includes principal and interest. This section also shows the date your new payment amount goes into effect.

3. The projection for the coming year
   This section gives a breakdown of your escrow payment collection and disbursements from your escrow account.

4. Difference between Actual and Required Balance
   - **Shortage:** If you go to the low point (identified as LP) of the “Required Balance” column and the amount is greater than the amount in the “Projected Balance” column (to the left of the actual balance column), you have a shortage. A shortage is a result of an increase in anticipated taxes and/or insurance, or from not paying the total required monthly escrow payment. A shortage spread is automatically added to future payments and included in your Total New Payment; however, see #5 for complete details on how to pay off your shortage.
   - **Surplus:** If you go to the low point (identified as LP) of the “Required Balance” column and the amount is lower than the amount in the “Projected Balance” column, you have a surplus. You will be reimbursed the full amount of the surplus if it is more than $50 and you’re current with your mortgage payments; otherwise, the funds will remain in your escrow account and will apply to your future payments. If the surplus is less than $50, it can be spread over your future payments up to 12 months. This is known as the overage spread or monthly escrow adjustment.

5. Escrow Shortage Payment Options
   You may pay your shortage using the payment coupon attached at the bottom of the first page. You can select “Pay Lump Sum” to pay the full amount, or select “Add Shortage to Monthly Mortgage Payment” to spread the shortage over future payments. If this is how you would like to pay off your shortage, there is no need to send the Escrow Payment Coupon back, the shortage spread will be placed on your account automatically. Pay the full amount of your shortage with a check made payable to Bayview Loan Servicing, LLC and send it to the address on the payment coupon.

### Payments to Esc. Account
These are the payments we projected you would make, as well as the actual payments you made to your escrow account each month over the past year.

### Payments From Esc. Account
These are the amounts we projected to pay, as well as the actual amounts we paid from your escrow account for property taxes and/or insurance each month over the past year.

### Description
This is a short description of each payment Bayview made from your escrow account, such as:
- **HAZARD INS or INSUR**: Hazard insurance.
- **TOWN TAX -1ST & -2ND**: The first and second installment of your town property taxes.

### Projected Escrow Account Balance
These are the balances Bayview projected would be in your escrow account each month over the past year.

### Actual Escrow Balance
These are the actual balances that were in your escrow account each month over the past year. The L represents the lowest balance held in your account during that year.

### Beginning Projected Balance
This is how much money is projected to be in your escrow account at the beginning of the next 12 month cycle based on three factors:
- **Current Escrow Balance**: The amount of money you currently have in your escrow account.
- **Payments Not Yet Made**: The total amount of expected payments that you have not made.

### Frequently Asked Questions:

**What is an escrow analysis?**
An escrow analysis helps determine how much money should be held in an escrow account to cover future tax and insurance obligations. Annually, an escrow analysis is performed to establish whether the monthly payment amount needs to be adjusted or not. Adjustments would be based on payments that were made on your behalf, estimated future amounts, and the balance in your escrow account at the time of analysis.

**When is an escrow analysis performed on my account?**
An analysis of your escrow account is performed once every twelve months. However, we may analyze your account more frequently.

**What is a cushion or reserve requirement?**
Your loan documents may refer to a reserve, sometimes also called a "cushion". This reserve requirement is permitted by federal and most state laws and acts as an additional safeguard to cover unanticipated costs or expenditures made before all of your payments have been made into your escrow account.

**Why did my monthly mortgage payment change?**
Changes to the escrow portion of your monthly mortgage payment are typically the result of changes in your property taxes and/or hazard insurance.

**Can Bayview tell me why my tax payment, special assessment, or insurance premiums changed?**
Bayview can only assist you with information pertaining to your mortgage. We are not able to determine why there have been changes in your taxes, insurance, or special assessments.

**If I have a large escrow shortage, what are my options if I can't make a larger payment?**
You can pay an escrow account shortage by paying the full shortage amount, or by spreading the amount over future payments, which will be done automatically should the shortage not be paid in full.