

# 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, SouthPoint Financial Credit Union estimates how much the owner of the home should include in their payment to meet these obligations during the course of the escrow period. 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: 04-15-2025  
Account Number: \*\*\*\*\*  
Escrow Balance: \$655.61

For Member Inquiries Call:  
877-636-5346

NAME  
123 EXAMPLE ROAD  
EXAMPLE, MN 12345

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT  
 PROJECTIONS FOR COMING YEAR 06-2025 THRU 05-2026

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 .....				427.26
06-2025	427.21	0.00		854.47
07-2025	427.21	0.00		1,281.68
08-2025	427.21	0.00		1,708.89
09-2025	427.21	0.00		2,136.10
10-2025	427.21	1,436.00	Your County Taxes	1,137.31
11-2025	427.21	0.00		1,554.52
12-2025	427.21	0.00		1,981.73
01-2026	427.21	0.00		2,408.94
02-2026	427.21	0.00	Your Insurance Co	2,836.15
03-2026	427.21	0.00		3,263.36
04-2026	427.21	2,254.57		1,436.00
05-2026	427.21	1,436.00	Your County Taxes	427.21

Under Federal Law, your lowest monthly balance should not exceed \$854.42 or 2 months of the anticipated payments from escrow. We chose a low balance of \$427.21 or 1/12th of anticipated payments from escrow. In order to achieve this low balance, your starting balance should be \$427.26 as shown above.

In fact, your anticipated escrow balance at the beginning of 06-2025 is \$-407.04. This means that you have a deficiency of \$407.04. This deficiency may be collected from you over a period of 2 to 12 months unless the deficiency 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.

After considering the deficiency, you still have a remaining shortage of \$427.26. 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 06-2025 will be \$1,519.23 of which \$1,022.49 will be for principal and interest, and \$496.74 will go into your escrow account.

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## PROJECTED ESCROW PAYMENTS

Page 1 covers projected escrow payments for the next escrow period.

## PROJECTED BEGINNING BALANCE

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

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

## SHORTGAGE/SURPLUS

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

## SHORTGAGE 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.

## SHORTGAGE 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.

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT  
 ACCOUNT HISTORY

This is a statement of the activity in your escrow account from 06-2024 up to the beginning of your new escrow computation year - 06-2025.

Your monthly mortgage payment for the period was \$1,395.84 of which \$1,022.49 was for principal and interest and \$373.35 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 .....					370.68	239.33
06-24	370.65	373.35	0.00	0.00*	741.33	612.68
07-24	370.65	373.35	0.00	0.00*	1,111.98	986.03
08-24	370.65	373.35	0.00	0.00*	1,482.63	1,359.38
09-24	370.65	373.35	0.00	1436.00* Your County Taxes	1,853.28	296.73
10-24	370.65	373.35	1337.00	0.00*	886.93	670.08
11-24	370.65	373.35	0.00	0.00*	1,257.58	1,043.43
12-24	370.65	373.35	0.00	0.00*	1,628.23	1,416.78
01-25	370.65	373.35	0.00	0.00*	1,998.88	1,790.13
02-25	370.65	373.35	0.00	0.00*	2,369.53	2,163.48
03-25	370.65	373.35	0.00	0.00*	2,740.18	2,536.83
04-25	370.65	373.35	1773.83	2254.57* Your Insurance Co	1,337.00	655.61
05-25	370.65	0.00	1337.00	0.00*	370.65	655.61
		373.35		1436.00 Anticipated Your County Taxes		-407.04

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 \$4,447.83. Under Federal Law, your lowest monthly balance should not have exceeded \$741.30 or 1/6th of anticipated payments. We chose a low balance of \$370.65 or 1/12th of anticipated payments from escrow.

Your low balance which was to have occurred at the end of 05-2025 did not exceed this amount. The asterisks on this statement may help you identify the reason.

## HISTORY OF ESCROW PAYMENTS

Page 2 covers your **history of escrow payments**, what we projected might happen, and then what actually happened.

## END OF ESCROW PERIOD BALANCE

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

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

ESCROW ANNUAL INFORMATION

Paid Into Escrow	4,480.20	Paid Out of Escrow	5,126.57
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ITEMIZED DISBURSEMENTS

Your County Taxes	2,872.00
Your Insurance Co.	2,254.57

## ESCROW ANNUAL INFORMATION

Page 3 gives a summary what has been paid into and paid out of your escrow. It will also list your itemized disbursements.

After reviewing this document, if you have any questions please contact SouthPoint Home Mortgage at 877-636-5346.