

## FREQUENTLY ASKED QUESTIONS

### Q. What is an Escrow Account?

An escrow account is a separate account that is provided for you to pay your property tax and/or insurance. We collect a portion of your mortgage payment and apply it to your escrow account, which we use to pay your property tax and insurance premiums on your behalf when they become due.

### Q. What is an Escrow Analysis?

An escrow analysis is a review of your escrow account to determine if the current monthly escrow payment is enough to pay taxes, insurance, and other bills when due. Escrow analyses are typically run annually. Occasionally, the payment of taxes or insurance causes the escrow account to reach a negative balance (escrow deficiency) and it may be necessary to perform more than one analysis during the year.

### Q. How often are escrowed loans analyzed?

Trustmark analyzes contractually current escrowed loans once every 12 months to determine the appropriate monthly escrow deposit. Additional analysis or payment adjustments may be necessary when significant changes in disbursement amounts of escrowed items occur.

### Q. What does an escrow analysis reveal?

An analysis determines if adjustments need to be made to the escrow deposit based on escrow disbursements in an upcoming year. If Trustmark has disbursed an amount higher than anticipated for any escrowed item(s), generally a shortage is created and a payment coupon will accompany the analysis. If Trustmark disbursed an amount lower than anticipated for any escrowed item(s), generally an overage is created and in most cases, we'll mail you a check for that amount.

### Q. Why do escrow deposits change?

When changes in your taxes and/or insurance occur or your escrow account is short, your escrow deposit will adjust resulting in a new monthly payment. This may cause your monthly payment to increase or decrease.

### Q. Is a cushion in an escrow account necessary?

Yes, Trustmark requires a two month escrow cushion, where permitted by state law, to protect against unanticipated disbursements.

### Q. What's a minimum balance?

Sometimes taxes and insurance are higher than expected. To be prepared, you're required to keep a minimum balance in your account at all times. This helps make sure any unexpected increases are covered. Your minimum balance varies by state but is calculated to not be more than 2 months of escrow payments.

### Q. What's a escrow shortage?

If the funds in your escrow account are projected to be below your minimum balance at the lowest point in the 12-month period, you have a shortage. This can happen if the taxes or insurance premiums for the previous 12 months were more than expected. Or, if they're estimated to go up in the next 12 months.

You can make up a shortage in 1 of 2 ways:

- **Pay it in full.** Send a check for the full shortage amount prior to the effective date of the new payment and the funds will be deposited into your escrow account.
- **Pay it over 12 months.** We'll add a portion to your monthly payment.

### Q. How is a shortage collected?

Shortages are collected over a 12 month period.

### Q. What's an escrow overage?

If your escrow account is projected to have more than the minimum balance required at its lowest point in the 12-month period, you have an overage. This happens if the taxes or insurance premiums for the previous 12 months were less than expected. Or, if they're estimated to go down in the next 12 months. In most cases, we'll send you a refund check for that amount.

### Q. Why didn't I receive my escrow surplus check?

If your loan was past due at the time the escrow analysis was performed, your escrow surplus check will be disbursed when your loan becomes current. If you have not received your escrow surplus check after you've brought your loan current, please contact the Customer Service Department at 1-800-844-2400 and request the surplus check be mailed to you.

### Q. How can you get additional information on your escrow account?

If you need more information, please contact us at 1-800-844-2400 or visit our web site: <https://trustmark.com/myTrustmarkMortgage>.

# Understanding Your Escrow Account Disclosure Statement

*If you have any questions concerning your escrow account, please call our Customer Service Department at the number on the enclosed statement.*



# UNDERSTANDING YOUR ESCROW ACCOUNT DISCLOSURE STATEMENT

- Customer Service Department** – Call our toll-free number if you have questions at 1-800-844-2400.
- Mortgage Access** – Manage your account online for access to your loan balances, make payments online, escrow information and more at: <https://trustmark.com/myTrustmarkMortgage>
- Account Number / Analysis Date** – This section includes your account number and escrow analysis date.
- Mortgage Payment** – This section shows a breakdown of your present monthly payment and new monthly payment amount. Your new monthly payment amount is displayed in addition to the effective date of the new payment change.
- Determining Your Escrow Shortage/Surplus** – The required escrow balance is based upon the anticipated disbursement amounts and due dates. If the Projected Balance is less than the Required Balance, a shortage is revealed. If the Projected Balance is greater than the Required Balance, the escrow account has a surplus.



PO Box 522  
Jackson MS 39205-0522

7-567-R382T-0000003-001-000-000-000-000

BORROWER NAME  
1234 STREET ADDRESS  
CITY, STATE ZIP-CODE

### ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT <sup>(8)</sup>

**1** **CONTACT INFORMATION**

Customer Service 1-800-844-2400  
Monday - Friday 8:00am - 5:00pm CST  
Web site: <https://trustmark.com>

Statement Date 02/19/2016  
Payment Due Date 04/01/2016  
Account Number 0123456789

**3** **PAYMENT INFORMATION**

ANALYSIS DATE: MM/DD/YYYY

	CURRENT PAYMENT	NEW PAYMENT as of MM/DD/YY
Principal & Interest	\$401.12	\$401.12
Escrow Payment	\$129.02	\$134.35
Shortage Payment	\$11.76	\$7.11
Line 4		
Line 5		
Line 6		
<b>Total</b>	<b>\$541.90</b>	<b>\$542.58</b>

**COMING YEAR ESCROW PROJECTIONS**

Under Federal Law, your lowest monthly balance in the next twelve months should not exceed \$1,087.66 or 1/6th of the total anticipated payments from the account, unless your mortgage contract or State law specifies a lower amount. Your actual lowest monthly balance is \$661.85. The items with an asterisk in your account history may explain this. For a further explanation, call 1-800-844-2400.

NEW ESCROW DEPOSIT BREAKDOWN		YOUR ESCROW ACCOUNT PROJECTION					
ESCROW ITEM	ANNUAL EXPENSE	MONTH	PAID IN TO ESCROW	PAID OUT FROM ESCROW	DESCRIPTION	PROJECTED BALANCE	REQUIRED BALANCE
HAZARD INSURAN	\$2,866.00				STARTING BALANCE	\$3,924.94	\$4,350.75
COUNTY TAX	\$3,860.07	07/16	\$543.83	\$0.00		\$4,468.77	\$4,894.58
		08/16	\$543.83	\$0.00		\$5,012.60	\$5,438.41
		09/16	\$543.83	\$0.00		\$5,556.43	\$5,982.24
		10/16	\$543.83	\$0.00		\$6,100.26	\$6,526.07
TOTAL DISBURSEMENTS	\$6,626.07	11/16	\$543.83	\$0.00		\$6,644.09	\$7,069.90
		12/16	\$543.83	(\$2,666.00)	HAZARD INSURANC	\$4,521.92	\$4,947.73
MONTHLY ESCROW DEPOSIT	\$543.83	12/16	\$0.00	(\$3,860.07)	COUNTY TAX	\$661.85	\$1,087.66 *
(TOTAL DISBURSEMENTS DIV BY 12 MONTHS)		01/17	\$543.83	\$0.00		\$1,205.68	\$1,631.49
		02/17	\$543.83	\$0.00		\$1,749.51	\$2,175.32
		03/17	\$543.83	\$0.00		\$2,293.34	\$2,719.15
		04/17	\$543.83	\$0.00		\$2,837.17	\$3,262.98
		05/17	\$543.83	\$0.00		\$3,381.00	\$3,806.81
		06/17	\$543.83	\$0.00		\$3,924.83	\$4,350.64
		TOTAL	\$6,525.96	(\$6,526.07)			

**5** \* The figures in this section are based on a division by twelve to get your monthly total and may be rounded up or down to the nearest penny.

**6** **PROJECTED ESCROW BALANCE SUMMARY**

As of 05/17/2016

PROJECTED LOW BAL	\$661.85
LESS REQUIRED LOW BAL	\$1,087.66
<b>SHORTAGE</b>	\$425.81
ESCROW SHORTAGE PRORATED FOR 12 MONTHS	\$35.48

**7** **Determining Your Escrow Shortage/Surplus**

(a) Projected Low Point Calculation \$661.85 \*when your escrow balance is at its lowest point (see above)  
 (b) Required Cushion \$1,087.66 \*this cushion equals (2) months of escrow payments (\$543.83).  
**ESCROW SHORTAGE \$425.81** see (a) above

\* Under RESPA/Federal law, or mortgage loan documents or by state law, if applicable, we are allowed to maintain up to a two (2) month cushion within your escrow account. Trustmark has chosen to only retain a two (2) month escrow cushion within your escrow account.  
 \* If the projected low point calculation (a) is less than the required (b) cushion, you have a shortage  
 \* If the projected low point calculation (a) is more than the required (b) cushion, you have a surplus  
 \* Under RESPA/Federal law, your shortage can be spread over 12 months.  
 \* The shortage divided by 12 months = \$35.48 \* This will be added to your new payment. If you choose not to pay the shortage in full, if you choose to pay your escrow shortage in full, we must receive funds prior to the effective date of the new payment.

**NOTICE:**  
 Note: If your loan is an adjustable rate mortgage and is scheduled for a payment change, the "principal and interest" portion may differ. The "principal and interest" portion of your payment are subject to changes per your Note.  
 Note: To the extent your original obligation has been discharged, or is subject to an automatic stay of bankruptcy under Title 11 of the United States Code, this notice is for compliance and/or informational purposes only and does not constitute a demand for payment or an attempt to impose liability for such obligation.

**8** **PROJECTED ESCROW BALANCE SUMMARY**

PROJECTED LOW BAL	\$661.85
LESS REQUIRED LOW BAL	\$1,087.66
<b>SHORTAGE</b>	\$425.81
ESCROW SHORTAGE PRORATED FOR 12 MONTHS	\$35.48

**7** **ESCROW SHORTAGE COUPON**

Loan Number: 000000001  
 Shortage Amount: \$425.81

Paying the shortage does not guarantee that your payment will return to the previous amount. If you choose to pay your escrow shortage in full, we must receive funds prior to the effective date of the new payment.

Escrow Shortage Amount Enclosed

Please write your loan number on your check or money order and return this coupon with your payment.

TRUSTMARK NATIONAL BANK  
 P.O. BOX 522  
 JACKSON, MS 39205-0522

- Coming Year Escrow Projections** – The section identifies if you have an escrow shortage or surplus and shows a schedule of payment and disbursement activity within your escrow account anticipated for the coming year. These are only projections based on the most recent bills. The actual amounts billed to us and to you may be different.
- Escrow Shortage Coupon or an Escrow Surplus Check** – Depending upon whether you have a shortage or a surplus, your statement will either include an escrow shortage coupon to cover the shortage or indicate that a surplus check will be mailed to you within 15 days of the escrow analysis.
- Shortage Amount** – If you elect to pay the shortage with a lump sum payment, submit a check for the full amount along with the attached "Escrow Shortage Coupon". Once received, the monthly payment will be adjusted accordingly.

The reverse side of your Escrow Account Disclosure Statement provides projections from your last analysis and compares it with the actual activity.

