

Enclosed is your Annual Escrow Analysis Statement. At least once a year we conduct an escrow analysis on your account to determine if the escrow portion of your monthly mortgage payment is enough to cover your real estate taxes and/or insurance. Increases or decreases in the escrow portion of your monthly mortgage payment are typically the result of changes in your real estate taxes and/or insurance. The Annual Escrow Account Disclosure Statement details your escrow account changes and how it will impact your monthly mortgage payment over the next 12 months. Please review your Escrow Statement and reference this document for frequently asked questions.

NOTE: If the analysis indicates there is an overage in your account that is greater than \$50.00, a refund check will be mailed to you under separate cover within 30 days of the analysis date shown on your statement.

The Annual Escrow Account Disclosure Statement consists of several sections that provide detailed information regarding your escrow account.

- **New Scheduled Payment Amount**

This section shows the current and new scheduled payment information based on the analysis of the escrow account.

- **Projections for Coming Year**

This section shows the anticipated activity and account balances for the upcoming year based on the monthly escrow payment amount that will be effective with the scheduled payment date as indicated on the analysis.

If you have an overage or a shortage in your escrow account it will appear in this section. If there is an overage of \$50.00 or less it will be spread over a 12-month period and reduce the amount of the required monthly escrow payment. *If you have an overage greater than \$50.00, a refund check will be mailed to you under separate cover within 30 days of the analysis date shown on your statement.*

If you have a shortage and/or a deficiency in your escrow account, it will be collected over a 12-month period beginning with the new scheduled payment amount as indicated on the analysis.

- **Escrow Account History**

This section shows the projected transactions anticipated in your previous account analysis compared to the actual transactions in your escrow account over the last 12 months.

- **History of Actual Transactions to Your Loan**

This section shows a history of actual transactions to your loan and escrow account for the last 12 months. Since the projections were estimates, your actual transactions may not be an exact match.

Hardships

If you are experiencing a financial hardship and are unable to afford the monthly increase in the escrow portion of your payment and/or do not have the funds to pay the shortage and/or deficiency amount required to lower your payment, please submit a statement outlining your hardship and submit it to the Retail Loan Servicing Department. We will contact you to discuss possible repayment options.

Automatic Payments

If you are paying through Internet Banking or an Internet Bill Payer, please adjust your payment amount in Internet Banking or with your Bill Pay provider so the required payment amount is received when due. If your payment is made through an automatic transfer established by the Bank based on your written request, your monthly payment will be automatically adjusted to the new payment amount. Please adjust your records accordingly.

Annual Escrow Analysis Frequently Asked Questions

Q: What is an Escrow Analysis?

A: A review of your escrow account, also called an escrow analysis, is completed each year to ensure that the calculated monthly escrow payment is sufficient to pay the anticipated amounts due for the upcoming year. This process identifies any overages or shortages that exist based on the actual activity in the account during the analysis period.

Q: Who do I contact if I have questions?

- A:
1. **Escrow or mortgage information:** Contact Tompkins Tax and Insurance Dept. at Tompkins Community Bank, Attn: Retail Loan Servicing-Tax and Insurance Department, PO Box 6569, Ithaca, NY 14851-6569
 2. **Taxes:** Contact your local assessor's office.
 3. **Insurance:** Contact your insurance company or agent.

Q: Why did my monthly mortgage payment change?

A: Increases and decreases to the escrow portion of your monthly mortgage payment are typically the result of changes in your real estate taxes and/or insurance. Some possible reasons are:

1. **Homeowners insurance:** Your premium may be different as a result of changes to the type or extent of your insurance coverage, or if your insurance company changed your insurance rate. We encourage you to contact your insurance company or agent with any questions regarding changes to premiums.
2. **Real estate taxes:** Your real estate taxes may be different as a result of a property assessment, or if the tax rate has changed. We encourage you to contact your local taxing authority with any questions regarding changes to your real estate taxes.
3. **New construction:** A difference may occur with partially assessed real estate tax bills for newly constructed properties. Typically, the first tax bill for a new property is only for the land/lot. Then as the property is assessed, the real estate tax bill will be increased to eventually include the land and the structure(s).
4. **Initial escrow deposit:** Escrow is sometimes estimated at loan closing because information may not be available at that time. If the amount collected for the setup of your escrow account was more or less than the actual bills received for those items, this will cause your monthly mortgage payment to change.

Q: Why are you holding a reserve balance/cushion?

A: Your mortgage documents allow us to maintain an escrow cushion equal to two escrow payments. This "cushion" is the minimum balance of the escrow account and acts like a savings account to help if your taxes or insurance increase.

Q: What are my options if I have a shortage/deficiency balance in my account?

A: If you have an escrow shortage/deficiency you have two options:

1. No action required. The shortage/deficiency will be automatically spread over the indicated number of months outlined in the Escrow Account Projection for the Coming Year section of your analysis.
2. Pay your shortage in full. Even if you elect to pay your shortage in full, your payment may still increase. If you would like to pay the shortage/deficiency balance in full, please complete and submit the tear off form below with a check payable to Tompkins Community Bank. You will receive a letter confirming receipt of the shortage payment and informing you of the new monthly payment amount once the payment has been processed.

Please address correspondence regarding your escrow account or payment for escrow deficiency/shortage to:
Tompkins Community Bank, Attn: Retail Loan Servicing-Tax and Insurance Department, PO Box 6569, Ithaca, NY 14851-6569

ESCROW SHORTAGE REMITTANCE FORM

If you would like to remit payment of the shortage/deficiency balance in full, please complete and send this form with your check payable to Tompkins Community Bank to the address below. You will receive a confirmation letter acknowledging receipt of the escrow shortage payment and the amount of the revised monthly payment once the shortage payment has been processed.

Attn: Tax and Insurance Dept.
Tompkins Community Bank
PO Box 6569
Ithaca, NY 14851-6569

Loan Number: _____
Name: _____
Shortage Amount: \$ _____