ESCROW SETUP AND PROCESSING PROCEDURES
JULY, 2014

ESCROW RULES

Escrow is the customer's money and must be handled separately. We cannot use escrow money from one customer to fund payment for another customer. If there is a shortage or deficiency, the customer must pay the shortage or deficiency or we will have to charge it back to his account to fund payment.

1. If the customer owes home owners insurance or taxes an escrow account must be set up in the real estate loan class.

2. The customer must provide proof of payment for the current year, if not, then the premium for taxes and/or insurance must be financed out of loan proceeds.

3. Verify that your customer has an annual insurance policy.

4. Verify with the insurance company that the insurance policy is paid in full. Inform the insurance company that we are escrowing the insurance premium. Request our company to be added as mortgagee.

5. If the customer pays all or part of the Initial Escrow Deposit out of pocket or out of a previous escrow account then the same procedure applies as above.   Deposit the portion the customer paid in the escrow checkbook. Make a note in the memo pad and on the escrow calculator that the customer paid.

6. We must have 12 monthly escrow payments in an escrow period.

7. Regardless of payment or interest payment, the escrow payment must be taken or it will be short (or deficient) at the end of the escrow period.

8. Collect additional escrow payments if customer pays a lump sum towards account.

9. Customer's escrow balance CANNOT be more than 2 cushion payments, plus $50.00, or we must rebate to the customer.

10. The only General Ledger codes used in the escrow check account are 2451 and 2452, unless other instructed by Home Office.

SETUP

ESCROW SETUP PROCEDURES FOR ALL CUSTOMER DWELLINGS

1. Set up a bank account for the office named (*your own office name*)-Escrow Account.

2. Setup Payee Codes for Insurance and Taxes to make it easier to pay escrow when due.
3. In Chart of Accounts, Setup General Ledger 2452 Escrow Funds Payable.
4. Setup General Ledger 2451 Escrow Funds Collected.
5. Setup General Ledger 1452 Escrow Advance Paid
6. Setup General Ledger 1451 Escrow Advance Collected

PREPARING FOR TEST CALCULATE AND LOAN

ESCROW CALCULATOR:

Enter the account and contract number for loan.
Enter the customer name shown on loan.
Enter a number for the month of the first loan payment.
Enter the insurance premium amount for the first year.
Enter the payment month for disbursement of the insurance premium.
Enter the amount of County taxes.
Enter the amount of City Taxes (if not combined with County).
Enter the payment month for the tax payment.
Enter any other escrow payments (such as Sec. 16 lease fees).
Enter payment month for other items.

Monthly Escrow Payment	$	-
Initial Escrow Deposit	$ **	-

** This amount now includes the 2 months cushion

When using more than one piece of property as security:
1. If Insurances are due on the same month. Enter total premium in insurance tab.
2. If Insurances are due on different months, enter the primary residence in the insurance tab and the second property in the "Other Payments" section.
3. Taxes can be totaled because they are all due in December.

ENTER ESCROW INFORMATION IN LOANMASTER

1. Prepare your test calculate: **Add** Initial Escrow Deposit from your Escrow Calculator.
2. **Include** any Insurance premium and taxes which are due before the first payment as part of the loan proceeds.
3. **C**lick Collateral Tab, then Real Estate tab, complete the Real Estate collateral address, and property description from the Ownership Map prepared by Home Office. **If you do not, then your Escrow information cannot be entered.**
4. If you have more than one piece of property, start with the family home, and then continue to "other" tab, until all insurance and taxes are included. These cannot be combined, they must be entered individually.

INSURANCE TAB

Add Escrow for any Insurance to calculate the escrow payment:
1. Click the tab for Insurance.

2. Select New and enter for HOME OWNERS and enter the following information: Enter the expiration date from the policy. Enter the due date as the date you will pay the premium. Example: Expiration date 7/5/2014, due date 6/5/2014. The same for flood insurance.

3. Select New and enter for FLOOD (if applicable) and enter the following information:

TAX TAB

1. Add Escrow for any Tax to calculate the escrow payment.

2. Click the Tab for Tax.

3. Select New and enter for **City** and enter the following information:

4. Select New and enter for **County** and enter the following information:

ESCROW TAB

5. Click View Details.
6. **Insert the Initial Escrow Deposit from your Escrow calculator at the top of the screen**. Click OK, Click View Details to verify correct, and then Click OK.
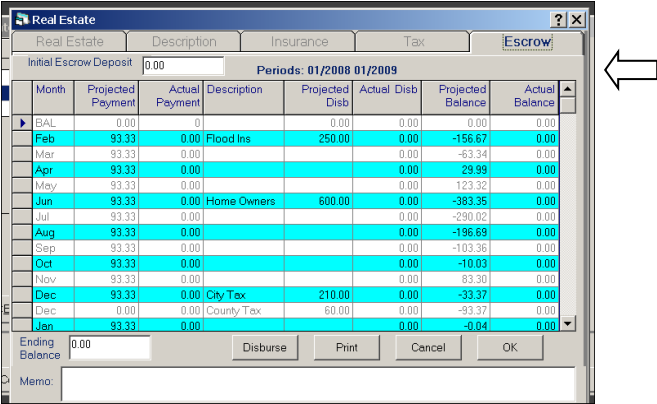
Verify test calculate, should show monthly payment with escrow amount from Escrow Calculator.

INITIAL DISCLOSURE DOCUMENTS:

1. Escrow Disclosure Statement will print in the Forms chain:
   Verify the Initial Deposit to the Escrow Calculator.
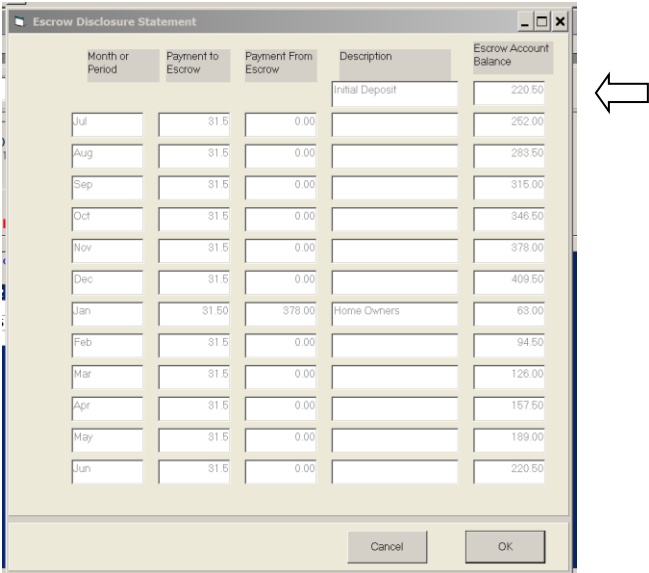
2. Enter Escrow Information on the HUD 1-A form in the 1000 Section from Escrow Calculator:

Total Initial Escrow Deposit on 1001.
# of months and monthly amount of Home Owners Insurance on 1002.
# of months and monthly amount of Property Tax on 1004.
Amount of Aggregate Adjustment on 1007.
These 3 totals should equal the amount shown on 1001.

3. Enter the Escrow Information on the HUD 1-A form on page 2. Checking only the boxes that apply.

ADDITIONAL INFORMATION:

Aggregate adjustment is simply a formula lenders use to make sure they are only collecting the maximum amount of "cushion" allowed by law. In most cases, that's a pro-rated 2 months of your combined taxes and insurance.

When we close on a loan, we have insurance due at one time and property taxes being paid out at another time.

Depending on when taxes and insurance are paid, we might be leaving more or less than 2 months cushion when the escrow account hits its lowest point of the year.

The aggregate adjustment would be a debit or credit to you, at time of closing, for whatever amount your account would be different than the 2 month cushion when projecting the escrow collection and payouts over the first 12 months.

We will assume that if 4 months of your taxes are due at this time, we need to put in 6 months of taxes to make sure we have 6 months of taxes, leaving the 2 month cushion.

We will assume that if 2 months of insurance money are due at this time, we need to put in 4 months of insurance to make sure we have 4 months of insurance, leaving the 2 month cushion.

TAKING PAYMENTS, INTEREST PAYMENTS, PAYOFFS, RENEWALS and DISBURSEMENTS

DEFINITIONS:

Escrow Account Analysis: the accounting that a servicer (us) conducts in the form of a trial running balance for an escrow account to: (1) determine the appropriate target balance, (2) compute the borrower's monthly payments for the next escrow year and any deposits needed to establish or maintain the account and (3) determine whether surpluses, shortage, or deficiencies exist. This analysis must be prepared at least once a year and can be done when required.

Escrow Calculator: spreadsheet used to calculate Initial Escrow Deposit and to determine an accurate analysis.

Escrow Period: runs consecutively with the first payment of the loan and continues for a 12 month period. Example: The second escrow period begins after the first 12 months from the first payment of the loan.

Deficiency: the amount of a negative balance in an escrow account. We must perform an escrow account analysis before seeking re-payment of the deficiency.

Lowest Monthly Balance: equal to one-sixth of the estimated total annual escrow account balance or 2 months cushion.

Shortage: an amount by which a current escrow account balance falls short of the target balance at the time of escrow analysis

Surplus: an amount by which a current escrow account balance exceeds the target balance for the account.

Triggers causing shortage and/or deficiences: Initial Escrow Deposit not calculated correctly, monthly escrow payments not posted correctly, increase in insurance and/or tax disbursements, due date changes, and interest payments.

TAKING PAYMENTS

1. **Funds will distribute to escrow first**. You should not adjust escrow payment.
2. Add the total escrow amount due to the **Collect** amount to have enough for full distribution to escrow, and to advance the due date.
3. Collect additional escrow payments if customer pays a lump sum towards account.
   a. Print an analysis to determine how many additional escrow payments are needed. Call Home Office if you need assistance.
4. The total escrow amount due will display each time Take Payments is accessed.

INTEREST PAYMENTS:

1. When we collect an interest payment on an account with escrow, we must also collect an escrow payment.
2. The interest payment and escrow payment need to be posted separately.
3. Post the escrow payment; then post the interest payment.

PAYING OUT ACCOUNTS WITH ESCROW:

Before quoting pay-off, always check the Escrow account balance.

1. If escrow has a deficiency (Negative figure), manually add deficiency to pay-off before quoting to customer. Upon receipt of the payoff, increase initial escrow deposit by the amount of the deficiency, making actual balance zero and deposit deficiency amount in the escrow checking account. If not collected, contact the customer to pay or our company will have to cover deficiency.
2. If customer has an escrow surplus, we need to disburse to the customer.
3. Once we have verified that we have received funds for the payoff, select customer and contract that have escrow that needs to be refunded. This can be done no later than 60 days after we receive the payoff.
4. Select [icon] Edit Contract, select Escrow, select View Detail and verify the amount paid by customer that we will be refunding. If the customer has insurance and taxes escrowed, use "a & b". If only one is being escrowed use "c".

a. In the escrow tab change the premium amount on either insurance or taxes to $.00.
b. In the escrow tab change the premium amount on either insurance or taxes (not the one changed in "a" to $.00) to the amount of escrow to be refunded. Change the payee information to the customer's information.
c. In the Insurance or Tax Tab whichever is being escrowed; change the amount of escrow to be refunded. Change the payee information to the customer's information. Close the window when finished.
d. Enter Escrow Disbursement.
e. Select Edit Check, verify that the amount of check is the same as the amount due to the customer, enter check number, and verify that Payee name and address is correct.
f. Edit General Ledger, enter GL Code 2452, enter amount of check, select Print to print the escrow account check.
g. Mail check to the customer with an Escrow Account Disclosure

RENEWING ACCOUNT WITH ESCROW

Escrow accounts are attached to the loan, not the customer. When renewing a loan with escrow, the renewed loan's escrow account must be closed and a new escrow setup with new loan.

1. If escrow is deficient, (Negative figure) add the deficiency to cash advance on your test calculate. Manually add deficiency to initial escrow deposit making actual balance zero, deposit escrow deficiency in escrow checking account.
2. If customer has an escrow surplus, disburse the escrow surplus to either the customer or to Magee Financial to be credited toward the new loan's escrow.
3. Select customer and contract that has escrow that needs to be refunded.
4. Select 📝 Edit Contract, select Escrow, select Escrow Detail and verify the amount paid by customer that we will be refunding. If the customer has insurance and taxes escrowed, use "a & b". If only one is being escrowed go to "c".
   a. Go into escrow and change premium amount on either insurance or taxes to $.00.
   b. Go into escrow and change premium amount on either insurance or taxes (not the one changed to $.00) to the amount of escrow to be refunded. Change the payee information to the customer's information. (or Magee Financial if we are using the funds for the new escrow.)
   c. Go to the Insurance or Tax Tab whichever is being escrowed; change the amount of escrow to be refunded. Change the payee information to the customer's information.
   d. Select Escrow Disbursement.

   e.   Select Edit Check.

   f.   Verify that the amount of check is correct, enter check number, verify that Payee name and address is correct.

   g.   Edit General Ledger, enter GL Code 2452, enter amount of check, select Print to print the check.

   h.   If check is not being used for the new loan, mail check to customer with an Escrow Account Disclosure.

Escrow from the renewed loan is the customer's money. However, if the new loan is tight in equity, the escrow surplus can be used to help reduce proceeds in the new loan

DEPOSITING PAYMENTS TAKEN WITH ESCROW

1. Escrow payments will be deposited along with the regular payments as a collection deposit
2. Write a check for the amount of Escrow payments for the day payable to your office
3. Deposit the check into the Escrow bank account.
4. Print a miscellaneous credit.

NSF PAYMENT WITH ESCROW:

Before reversing a payment with escrow due to an NSF Check be sure you have taken enough escrow payments to cover the amount of the reversed escrow payment.

Reverse payment through the payment screen in Loanmaster. Disburse a 2452 check, for the amount of the escrow payment being reversed, out of the escrow checking account. Deposit this check with cash from your cash drawer totaling the amount of the reversed/NSF payment in your office check book.

This will appear on your Remittance report as a negative payment. Manually correct the remittance report to show the full amount of the escrow payments for the day.

Or

Take the full amount of the escrow payments for the day from your remittance report. Deposit the amount of the reversed escrow payment with the cash from your cash drawer into NSF, office check book. Deposit the rest of the escrow payments into the escrow check book.

Escrow Analysis:

ESCROW DISBURSEMENT-DUE DATE REPORT:

Run the Escrow Disbursement- Due Date report monthly located in Financial Reports. This will generate a list of customers whom required disbursements.

1. Insurance and tax disbursements are handled in the same manner.
2. Insurance is due by the due date.
3. Taxes are due at the end of the current year.

ANALYSIS BEFORE DISBURSEMENTS:

Before disbursing an Escrow Analysis is required. Monthly escrow payments and disbursements should match Projected Payments and Projected Disbursements. This should eliminate any deficiencies; however, if there is a deficiency, it must be handled immediately.

Print an analysis. In the escrow tab, click View Details, print, and Ok. (# of months not needed now). Print an **Escrow Calculator** use the current or corrected premiums and months.

1. Compare the Initial Escrow Deposit or beginning balance to the Analysis, note any surpluses or deficiencies.
2. Add the Projected Payment column and add the Actual Payment column up to the due date, note any surpluses or deficiencies in the two.
3. Subtract Actual Disbursements from Projected Disbursements; note any surpluses or deficiencies.
4. Subtract Actual Balance from Projected Balance; note any surpluses or deficiencies.
5. Compare the Initial Escrow Deposit or beginning balance, payments and disbursements to the balance figures to determine a shortage, deficiency or surplus.
6. Correct any shortage or deficiencies using the Escrow Shortage and Deficiency procedure below.
7. Correct any surpluses using the Surplus procedure below.

DISBURSING WHEN PROJECTED PREMIUM AND ACTUAL PREMIUM ARE THE SAME:

1. Prepare an analysis and escrow calculator.
2. Verify that the "Projected Disburse" and "Actual Disburse" are the same.
3. Go to Edit – Contract- Escrow Disbursement.
4. Click Disburse tab.
5. Highlight check which needs to be disbursed - click edit - check screen should appear.
6. Complete info requested and print check from the Escrow bank account

DISBURSING WHEN PROJECTED PREMIUM AND ACTUAL PREMIUM ARE NOT THE SAME:

SHORTAGE or **DEFICIENCY:**

If the Actual Premium is more than the Projected Premium and <u>less than</u> the Actual Balance, then there is a shortage:
1. Prepare an analysis and escrow calculator.

2. We need to increase the amount in the customers Escrow account to avoid a shortage.
3. Determine the amount of the shortage by taking the Actual Premium and subtracting the Projected Premium. This is the amount of your shortage.
4. Disburse a check for the amount of the shortage thru the office check book, made payable to Magee Financial LLC, G/L code is 1452. Add the customer name and account# to the memo.
5. If still in the first period, add the amount of the check to the Initial Escrow Deposit. This should increase the Actual Balance.
6. Deposit check in the Escrow check book, G/L code 2451.
7. If in any period other than the first, add the amount to the "ending balance" of the previous period. This will increase the starting balance of the period you are in. (The initial escrow deposit can only be adjusted in the first period.)
8. Deposit check in the Escrow Checkbook, G/L code 2451
9. Disburse the new Actual Premium thru disbursements. Verify the Actual Balance is a minimum of the 2 months cushion.
10. In the current escrow period, adjust the Projected Premium to the new Actual Premium. This will increase the monthly escrow payment which allows us to start collecting the correct amount for next year's premium.
11. Send an Escrow Account Disclosure to the customer explaining the shortage, give them 30 days to reimburse (including the cushion), and inform them their monthly and escrow payments will increase. (Escrow payment will increase now to cover Insurance Premium for the next period.)

12. After 30 days if we have not been reimbursed, then charge the amount of the shortage back to the customer's account and deposit the check in the office check book, G/L code 1451. Keep records of transactions on the Escrow Shortage and Deficiency Report.

SURPLUS:

If the Actual Premium is less than the Projected Premium, this will create a Surplus. Refund the surplus within 30 days from the date of the analysis to the borrower if the surplus is greater than or equal to $50.00, not including the 2 months cushion. If the surplus is less than $50.00 we can credit towards next year's escrow payments.

1. Prepare an analysis and escrow calculator.
2. In the Insurance Tab, enter the Actual Premium and date in the Actual Amount box.
3. Disburse the Actual Premium thru the escrow disbursement screen.
4. Before disbursing the surplus to the customer, print another Analysis to be sure you are refunding the correct amount.
5. Disburse the $50.00, or more, surplus thru the escrow disbursement screen G/L 2452 to the customer.   Be sure to keep the 2 months cushion.
6. Go back into the insurance or tab and change the Projected Premium to the reduced amount. This will decrease the monthly escrow payment for next year.
7. Send an Escrow Account Disclosure to the customer with the check
8. Keep a copy of both in the folder.

TO CLOSE THE ESCROW ACCOUNT ON AN OPEN ACCOUNT: Contact Home Office.

REPOSSESSED PROPERTY WITH ESCROW:

After taking possession of property, disburse the balance in the escrow account to your branch name and send the check to Home Office.

BANKRUPT ACCOUNT WITH ESCROW:

If a customer files bankruptcy and a disbursement needs to be made, prepare an analysis to determine how we need to disburse.

1. If there are enough funds to pay the disbursement, pay the Actual Amount due, and do nothing else.
2. If there will be a shortage, disburse the Actual Amount, and do nothing else.
3 If there will be a deficiency, determine the amount of the deficiency by taking the Actual Balance (including the cushion) and subtracting the Actual Premium. This is the amount of your deficiency.
4. Disburse a check for the amount of the deficiency thru the office check book, made payable to Magee Financial LLC, G/L code is 1452. Add the customer name and account# to the memo.
5. If still in the first period, add the amount of the check to the Initial Escrow Deposit.
6. Deposit check in the Escrow Checkbook. G/L code 2451
7. If in any period other than the first, add the amount to the "ending balance" of the previous period. This will increase the starting balance of the period you are in. (The initial escrow deposit can only be adjusted in the first period.) Deposit check in the Escrow Checkbook. This should increase the actual balance to the amount of the premium.
8. Disburse the new Actual Premium thru disbursements. After disbursing, the actual balance should be zero.

9. Do not setup a 2nd or next escrow period. This may change if a reaffirmation agreement with escrow applies.
10. Send an Escrow Account Disclosure to the customer in care of the customer's bankruptcy attorney. Keep a copy of the letter in the file.
11. After 30 days if we have not been reimbursed, then charge the amount of the deficiency back to the customer's account and deposit the check in the office check book, G/L code 2451.
1. Keep records of transactions on the Escrow Shortage and Deficiency Report.

ESCROW SHORTGAGE/DEFICIENCY REPORT

Add the following information on the Escrow Shortage and Deficiency Report:

ACCT. #	Enter loan number
NAME	Enter customer name
PREMIUM	Enter amount of premium paid
Date Premium Paid	Enter date check written
Date Escrow Account Disclosure Sent	Enter date form mailed
Add Back Due Date	Enter date the premium can be added back (30 days after notice sent)

Reimburse Escrow Shortage/Deficiency and add premium to Customer's loan

1. After 30 days of sending notice you will need to cut a Sundry check coded 1065, Additional Proceeds

2. Add the premium to the customer's loan

3. Deposit the check back into your checking account as General Ledger Code 1451 to offset the check previously written

4. Enter the following information on the Escrow Shortage and Deficiency Report:

Date Reimbursed	Enter the date funds were deposited
Amount Deposited	Enter the amount deposited
Date Added Back	Enter the date the amount was added back to the customer's loan

Check your Escrow Shortage/Deficiency Report each day to see if letters need to be sent or if premiums need to be added back to customer's account.

Please send a copy of this report with your month end reports so we can verify General Ledger balances.

TOTAL   0.00
OFFICE NAME: MAGEE FINANCIAL
LOCATION: FRANKLINTON

ESCROW SHORTAGE & DEFICIENCY REPORT							LETTER TO CUSTOMERS		
ACCT. #	NAME	PREMIUM	Date Premium Paid	Date Reimbursed & Deposited	Amount Deposited	Balance	Date Letter Send	Add Back Due Date	Date Added Back
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
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NEXT ESCROW PERIOD

ESCROW ANALYSIS REPORT

Print an Escrow Analysis Report to determine who needs a next period setup.

Click Reports, Financial Reports, Escrow Analysis Report, next, next.

Click Display and Specific Dates at run time:

Enter From Date: XX/XX/XX   Thru Date: XX/XX/XX

EXAMPLE: Using the chart below, in November will print a list of all the loans with a first payment in January, enter From Date 01/01/14 and Thru Date 01/31/14, begin.
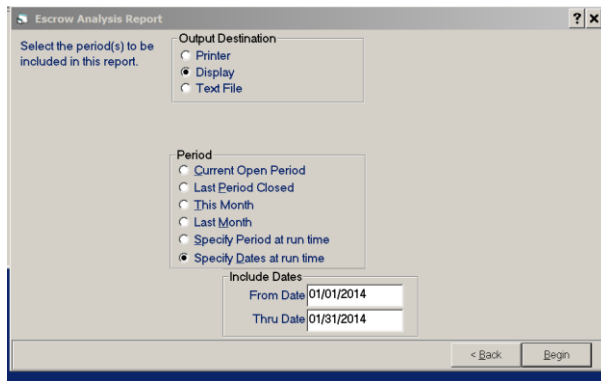
In the month of:	To print a list of 1st payments in:	From Date	To Date
November	January	1/1/XX	1/31/XX
December	February	2/1/XX	2/28/XX
January	March	3/1/XX	3/31/XX
February	April	4/1/XX	4/30/XX
March	May	5/1/XX	5/31/XX
April	June	6/1/XX	6/30/XX
May	July	7/1/XX	7/31/XX
June	August	8/1/XX	8/31/XX
July	September	9/1/XX	9/30/XX
August	October	10/1/XX	10/31/XX
September	November	11/1/XX	11/30/XX
October	December	12/1/XX	12/31/XX

ANALYSIS BEFORE SETTING UP THE NEXT ESCROW PERIOD:

An escrow analysis must be prepared for each account on your list before setting up the next escrow period. Monthly Escrow Payments and Disbursements should match Projected Payments and Disbursements. Any Surplus, Shortages or Deficiencies needs to be addressed before continuing.

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ANNUAL ESCROW ANALYSIS

Print an analysis. In the escrow tab, click View Details, print, and Ok. (# of months not needed now). Print an **Escrow Calculator** use the current or corrected premiums and months.

1. Compare the Initial Escrow Deposit or beginning balance to the Analysis, note any surpluses or deficiencies.
2. Add the Projected Payment column and add the Actual Payment column up to the due date, note any surpluses or deficiencies in the two.
3. Subtract Actual Disbursements from Projected Disbursements; note any surpluses or deficiencies.
4. Subtract Actual Balance from Projected Balance; note any surpluses or deficiencies.
5. Compare the Initial Escrow Deposit or beginning balance, payments and disbursements to the balance figures to determine a shortage, deficiency or surplus.
6. Correct any shortage or deficiencies using the Escrow Shortage and Deficiency procedure below.
7. Correct any surpluses using the Surplus procedure below.

SHORTAGE OR DEFICIENCY:

1. Disburse a check for the amount of the shortage of deficiency thru the office check book, made payable to Magee Financial LLC, G/L code is 1452. Add the customer name and account# to the memo.
2. If in the first period, add the amount of the check to the Initial Escrow Deposit. This should increase the Actual Balance.
3. Deposit check in the Escrow check book, G/L code 2451.
4. If in any period other than the first, add the amount to the "ending balance" of the previous period. This will increase the starting balance of the period you are in. (The initial escrow deposit can only be adjusted in the first period.)
5. Deposit check in the Escrow Checkbook, G/L code 2451
6. Send an Escrow Account Disclosure to the customer explaining the shortage.
7. After 30 days if we have not been reimbursed, then charge the amount of the shortage back to the customer's account and deposit the check in the office check book, G/L code 1451.
8. Keep records of transactions on the Escrow Shortage and Deficiency Report.

SURPLUS:

The surplus needs to be refunded within 30 days from the date of the analysis to the borrower if the surplus is greater than or equal to $50.00, not including the 2 months

cushion. If the surplus is less than $50.00 we can credit towards next year's escrow payments.

1. Disburse the $50.00, or more, surplus thru the escrow disbursement screen G/L 2452 to the customer.   Be sure to keep the 2 months cushion.
2. Send an Escrow Account Disclosure to the customer with the check
3. Keep a copy of the disclosure and a copy of the check in the folder.

SETTING UP THE NEXT ESCROW PERIOD

After you have prepared our Escrow Analysis Report and verified there are no shortages, deficiencies or surpluses, you can set up the next period.

Click Edit – Contract – Escrow:

INSURANCE TAB

Open the insurance tab, select new.

Select "Copy Prior Escrow Period" .

20

This will open the second escrow period. Verify all information is correct, if you need to make adjustment to Agent's information, premium or expiration date, do so now.

TAX TAB

Next, Open the tax tab, select new, select "Copy Prior Escrow Period" .
(see above) This will open the second escrow period. Verify all information is correct, if you need to make adjustment to amount due, do so now. The expiration date should always be 12/31/__   of the end of the current year.

PRINTING ESCROW ANALYSIS FOR THE NEXT PERIOD:

In the escrow tab there should be 2 periods. Highlight the escrow period you created, click view details. Verify correct, check insurance disbursement and/or tax disbursements.
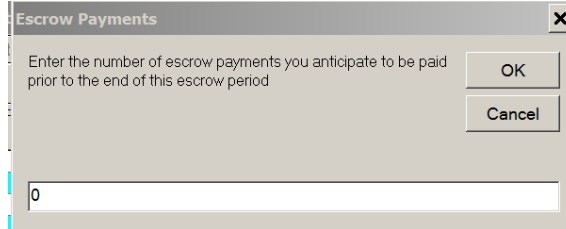
Verify that Month payment in the previous period is the same as the period just created.

Click PRINT, and a box will appear.

Enter the number of monthly escrow payments you anticipate the customer will pay before the next escrow period begins. If you are printing the analysis 60 days prior to the next escrow period, assume the customer will make two escrow payments, enter a number 2 and click ok. If there is one escrow payment due, then enter the number 1 and click ok.

CURRENT ACCOUNT:

Review the escrow analysis, verify the amount due, new escrow payment, and new monthly payment. If payments and disbursements are correct, then there should not be a Surplus, Shortage, or Deficiency.

Mail Analysis to customer if account and escrow payments are current and there was no change in disbursements.

DELINQUENT ACCOUNT:

If the account and/or the escrow account are over 30 days delinquent, we are not required to mail the customer the Annual Escrow Analysis generated by Loanmaster.

REPORTS THAT CAN BE PRINTED IN DAILY CHAIN AND FINANCIAL REPORTS


BALANCE ESCROW CHECKBOOK TO CUSTOMER ESCROW BALANCE

Balance the escrow checkbook with Tickler Report on the 15th of every month.
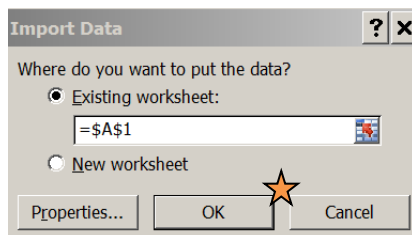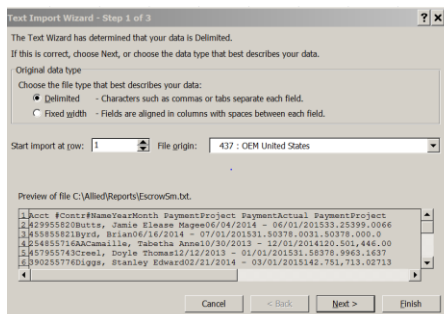To print a list of all open accounts with escrow:

Go to:
1. Financial Reports, Escrow Summary Report- Next- Next, Display- Next, Include all loans, and begin. When finished scrolling, exit.
2. To print in Excel follow the stars ⭐
   a. Open Excel, click Data, Click From Text,
   b. Open (My) Computer, C drive, Allied, Reports, Date modified, Escrowsum, and Import.
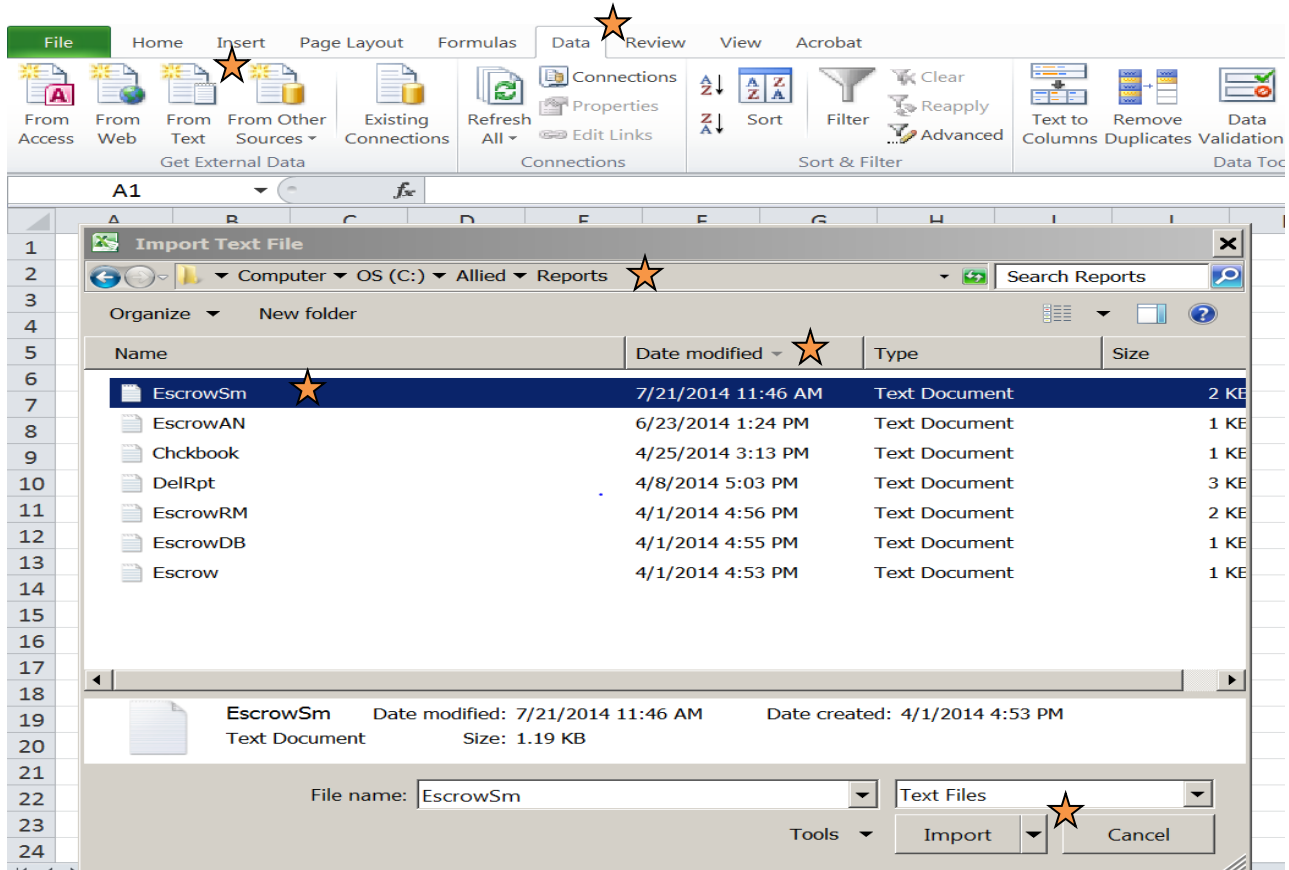
   c. Click finish and ok.

d. Highlight the Actual Balance column, scroll down to highlight all balances in column K, plus one row. Click Autosum.
e. This will total your balance column for you.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Acct #	Contr#	Name	Year	Month Payment	Project Payment	Actual Payment	Projected Disb	Actual Disb	Projected Bal	Actual Bal	Over/Short		
2	4299	55820	Butts, Jamie Elease Magee	06/04/2014 - 06/01/2015	33.25	399	66.5	399	0	299.25	365.75	66.5		
3	4558	55821	Byrd, Brian	06/16/2014 - 07/01/2015	31.5	378	31.5	378	0	220.5	252	31.5		
4	2548	55716AA	Camaille, Tabetha Anne	10/30/2013 - 12/01/2014	120.5	1,446.00	964	1,446.00	0	241	1,205.00	964		
5	4579	55743	Creel, Doyle Thomas	12/12/2013 - 01/01/2015	31.58	378.99	63.16	378.99	0	63.14	126.33	63.19		
6	3902	55776	Diggs, Stanley Edward	02/21/2014 - 03/01/2015	142.75	1,713.02	713.75	1,713.02	0	285.48	999.25	713.77		
7	4594	55804	Elhaleyih, Jamal	04/14/2014 - 05/01/2015	100.09	1,201.10	300.27	1,201.10	0	348.53	648.82	300.29		
8	4585	55767	Kelley, Steven	02/07/2014 - 03/01/2015	226.6	2,719.22	1,133.00	2,719.22	0	453.18	1,586.20	1,133.02		
9	4258	55813	Miller, Ronald	05/16/2014 - 06/01/2015	12.44	149.24	24.88	149.24	0	24.91	49.75	24.84		
10	3765	55823	Norton, Donald	06/18/2014 - 07/01/2015	32.38	388.5	0	388.5	0	420.94	420.88	-0.06		
11	4397	55802	Spinks, Robert Larry	04/29/2014 - 06/01/2015	61.8	741.6	123.6	741.6	0	122.9	246.5	123.6		
12											5900.48			
13														
14														
15														

3. Balance more often, if necessary.

This total should match the balance in your Escrow Checkbook to the penny. If not, you will need to reconcile. Each posting in the checkbook must match the posting on each loan with escrow.
Helpful hints:
o Make sure the Initial Escrow Deposit in entered in the escrow tab in Loanmaster.
o When posting in manual checkbook, be detailed. Customer's name and amount of payment or amount of disbursement written individually.
o All loans with Escrow must be in Real Estate category.
o Make sure any Insurance premium paid have been paid thru Disbursements in Loanmaster.
o Make sure any taxes paid have been paid thru Disbursements in Loanmaster.
o Subtract Initial Escrow Deposit of any loans in recession from Escrow Summary Report.
o Subtract any payments made but not deposited from Escrow Checkbook.
o Be sure to check paid out and renewal loans, they should have a zero in Actual Balance.

If you still don't balance, then you will have to verify that each posting in the checkbook matches "Actual" posting to the customer escrow. This is very time consuming.

DO NOT SEND IN VERIFICATION OF TICKLERS & ESCROW FORM UNTIL THE ESCROW IS IN BALANCE. If errors are found, please correct and reprint your report.

ESCROW SETUP AND PROCESSING PROCEDURES
JULY, 2014

See the following forms created that are not in Loanmaster: Escrow Account Disclosure

                                                                                                   Escrow Calculator

                                                                                                   Escrow Shortage & Deficiency Report.