

Figure 1 - Important Escrow Account Information

## Reading Your Escrow Statement

What is an Escrow Account Statement?

An escrow or impound account is an account that we maintain as part of your mortgage. The account is used to pay recurring property-related expenses on your behalf. The most common expenses are property taxes and homeowner's insurance.

These expenses are usually required by the insurer or taxing authority to be paid semi-annually or annually in large lump-sum payments. An escrow account allows you to add a portion of these payments to your periodic principal and interest payment in order to ensure you have enough money to pay those bills when they come due.

The Escrow Account Statement contains four primary areas of focus.

1. Important information about your mortgage escrow account is found on page 1. This includes your revised payment information with effective date, surplus or shortage amount, any account deficiency (negative balance), escrow account balance, etc.
2. Disbursement and payment projections for the next 12 months are used as key projection assumptions when we analyzed your account.
3. Actual transaction history which includes all actual escrow transactions since your previous escrow analysis. To help identify what impacted your payment, this section will include the projection assumptions from your previous period escrow statement, when available.
4. FAQ section, which includes contact information

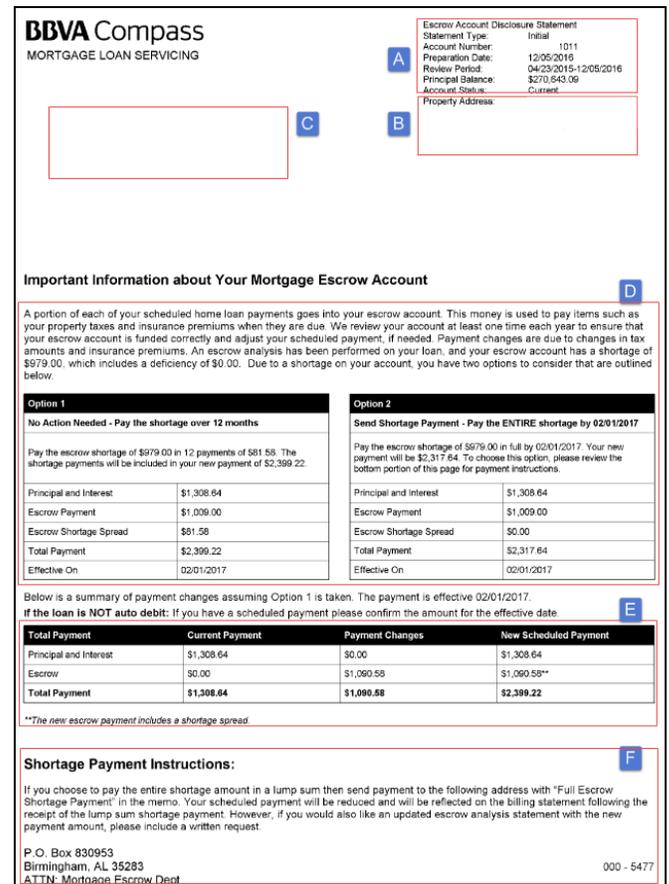
*Note: Loans which include Private Mortgage Insurance (PMI) disbursements will also include a notice of right to cancel PMI before the FAQ section.*

Following is an example statement including a description of the type of information provided to you. Depending on the type of statement you receive and other information like your account status, your statement may differ slightly from this example.

### 1 Important Escrow Account Information

This information will be found on the first page of your Escrow Statement. Please refer to Figure 1 for where to approximately find the information described below. The information in items A & B will repeat on each page.

- A. The type of analysis, account number, preparation date, statement period, principal balance, and account status
- B. Property address for the mortgage.
- C. Mailing address for the mortgage account.



**BBVA Compass**  
MORTGAGE LOAN SERVICING

Escrow Account Disclosure Statement  
Statement Type: Initial  
Account Number: 1011  
Preparation Date: 12/05/2016  
Review Period: 04/23/2015-12/05/2016  
Principal Balance: \$270,843.09  
Account Status: Current  
Property Address:

**Important Information about Your Mortgage Escrow Account**

A portion of each of your scheduled home loan payments goes into your escrow account. This money is used to pay items such as your property taxes and insurance premiums when they are due. We review your account at least one time each year to ensure that your escrow account is funded correctly and adjust your scheduled payment, if needed. Payment changes are due to changes in tax amounts and insurance premiums. An escrow analysis has been performed on your loan, and your escrow account has a shortage of \$979.00, which includes a deficiency of \$0.00. Due to a shortage on your account, you have two options to consider that are outlined below.

Option 1	Option 2
<b>No Action Needed - Pay the shortage over 12 months</b>	<b>Send Shortage Payment - Pay the ENTIRE shortage by 02/01/2017</b>
Pay the escrow shortage of \$979.00 in 12 payments of \$81.58. The shortage payments will be included in your new payment of \$2,399.22.	Pay the escrow shortage of \$979.00 in full by 02/01/2017. Your new payment will be \$2,317.64. To choose this option, please review the bottom portion of this page for payment instructions.
Principal and Interest: \$1,308.64	Principal and Interest: \$1,308.64
Escrow Payment: \$1,009.00	Escrow Payment: \$1,009.00
Escrow Shortage Spread: \$81.58	Escrow Shortage Spread: \$0.00
Total Payment: \$2,399.22	Total Payment: \$2,317.64
Effective On: 02/01/2017	Effective On: 02/01/2017

Below is a summary of payment changes assuming Option 1 is taken. The payment is effective 02/01/2017. If the loan is NOT auto debit: If you have a scheduled payment please confirm the amount for the effective date.

Total Payment	Current Payment	Payment Changes	New Scheduled Payment
Principal and Interest: \$1,308.64	\$1,308.64	\$0.00	\$1,308.64
Escrow: \$0.00	\$0.00	\$1,090.58	\$1,090.58**
<b>Total Payment: \$1,308.64</b>	<b>\$1,308.64</b>	<b>\$1,090.58</b>	<b>\$2,399.22</b>

\*\*The new escrow payment includes a shortage spread.

**Shortage Payment Instructions:**

If you choose to pay the entire shortage amount in a lump sum then send payment to the following address with "Full Escrow Shortage Payment" in the memo. Your scheduled payment will be reduced and will be reflected on the billing statement following the receipt of the lump sum shortage payment. However, if you would also like an updated escrow analysis statement with the new payment amount, please include a written request.

P. O. Box 830953  
Birmingham, AL 35283  
ATTN: Mortgage Escrow Dept. 000 - 5477

- D. This section provides you key information about the results of your escrow analysis including the surplus or shortage amount, your payment breakdown, and effective date of payment.
- E. Your current payment, the upcoming revised (new) payment, and the change in the payment are provided.
- F. If your account has a shortage, instructions are provided to you for paying the shortage in full and updating your payment. You are not required to pay your shortage as a lump sum. If you do not pay your shortage as a lump sum, then the amount is spread over 12 months and will be included in your payment.

*Note: The Escrow Statement will indicate whether you will receive a surplus refund or if the surplus will be retained. A surplus will be retained, when*

- a) your loan was 30 days or more delinquent as of the Preparation Date, or
- b) the surplus amount is less than \$50.00 or unless otherwise specified by state law.

## 2 Payment & Disbursement Projections

The projections for disbursements and payments are used to determine your monthly escrow balance over the next 12 months. This information is found typically on page 2 and is titled, 12 Month Escrow Projections for Disbursements and Payments.

Following is a description of what can be found in this section and Figure 2 provides a reference point for where this information is typically located.

- A. **Disbursement Description:** Listing of disbursement payees that we anticipate paying from your escrow account or we anticipated paying from the previous statement.
- B. **Prior Projected Disbursements:** The preparation date of last escrow statement and the amount we anticipated paying.
- C. **Annual Disbursement Change:** The annual change in the disbursement amount between the current statement and the previous statement projections. A positive value means the projected disbursement went up and a negative value indicates a decrease.
- D. **Projected Disbursements:** The total disbursements anticipated on the next 12 months broken down by payee.
- E. **Month:** The month for which transaction is projected.

- F. **Anticipated Amount To Escrow:** The monthly amount that we anticipate you will pay into your escrow account over the next 12 months.
- G. **Anticipated Amount From Escrow:** The amounts that we anticipate disbursing from your escrow account to payees over the next 12 months.
- H. **Disbursement Description:** The payee name that we anticipate disbursing a payment to.
- I. **Projected Escrow Account Balance:** The projected month end escrow balance after each transaction.

The projected **lowest month ending balance** will be noted with an "(a)".

- J. **Required Escrow Account Balance:** The starting balance is determined by adding the surplus or shortage amount to the actual beginning balance. The balance at the end of each month represents the balance which needs to be in your escrow account.

The projected **minimum required balance** is noted with a "(b)". The required balance includes the **cushion amount** which will never exceed one-sixth (1/6) of your total anticipated disbursements for the coming year.

Following the monthly projections is a section titled "Balancing Your Escrow Account" containing the total shortage or surplus amount, which is the difference between the lowest month ending balance and the minimum required balance.

Figure 2 - Disbursement & Payment Projections

12 Month Escrow Projections for Disbursements and Payments				
This section reflects the escrow activity that is expected to occur in the next 12 months.				
To the right is a list of anticipated disbursements over the next 12 months compared to the prior disclosure anticipated amounts	Escrow Disbursement Breakdown <b>A</b>	Prior Disclosure Prepared on 04/23/2016 <b>B</b>	Annual Change <b>C</b>	Current Disclosure Prepared on 12/05/2016 <b>D</b>
	QLOGIC	\$0.00	\$108.00	\$108.00
	CHINGUACOUSY WELLNESS CENTRE	\$0.00	\$12,000.00	\$12,000.00
Per payment does not include adjustments related to shortage or surplus.	Annual Disbursement Total	\$0.00	\$12,108.00	\$12,108.00
	Total Per Payment (12 Per Year)	\$0.00	\$1,009.00	\$1,009.00

Month <b>E</b>	Payments to Escrow Acct <b>F</b>	Payment From Escrow <b>G</b>	Description <b>H</b>	Projected Balance <b>I</b>	Required Balance <b>J</b>
Starting Balance: 12/05/2016					
DEC 16	\$0.00	\$0.00		\$8,030.00	\$9,009.00
JAN 17	\$0.00	\$9.00	QLOGIC	\$8,021.00	\$9,000.00
FEB 17	\$1,009.00	\$9.00	QLOGIC	\$9,021.00	\$10,000.00
MAR 17	\$1,009.00	\$9.00	QLOGIC	\$10,021.00	\$11,000.00
APR 17	\$1,009.00	\$9.00	QLOGIC	\$11,021.00	\$12,000.00
MAY 17	\$1,009.00	\$9.00	QLOGIC	\$12,021.00	\$13,000.00
JUN 17	\$1,009.00	\$9.00	QLOGIC	\$13,021.00	\$14,000.00
JUN 17	\$0.00	\$12,000.00	CHINGUACOUSY WELLNESS CENTRE	\$1,021.00(a)	\$2,000.00(b)
JUL 17	\$1,009.00	\$9.00	QLOGIC	\$2,021.00	\$3,000.00
AUG 17	\$1,009.00	\$9.00	QLOGIC	\$3,021.00	\$4,000.00
SEP 17	\$1,009.00	\$9.00	QLOGIC	\$4,021.00	\$5,000.00
OCT 17	\$1,009.00	\$9.00	QLOGIC	\$5,021.00	\$6,000.00
NOV 17	\$1,009.00	\$9.00	QLOGIC	\$6,021.00	\$7,000.00
DEC 17	\$1,009.00	\$9.00	QLOGIC	\$7,021.00	\$8,000.00
JAN 18	\$1,009.00	\$9.00	QLOGIC	\$8,021.00	\$9,000.00
<b>Totals</b>	<b>\$12,108.00</b>	<b>\$12,117.00</b>			

Your previous year's activity is used to estimate the deposit and disbursement activity in your account and project your lowest account balance for the year ahead. Your projected lowest month ending balance is compared to your minimum required balance. This determines the amount required to balance your account.

Since taxes and insurance premiums often go up, we require that you maintain a minimum required balance ("cushion") in your account at all times to prevent a negative (deficient) escrow balance in your account.

**You should take the time to review the items being paid and the disbursement amounts. If you find a discrepancy please contact us at 1-800-239-1996.**

**You should contact your taxing authority or insurance company if these amounts are not correct. If these amounts differ from what is documented by these payees then please contact us.**

### 3 Actual Transaction History

This section provides details concerning transactions which occurred on your account since the Escrow Statement and is titled "Escrow Statement Actual Activity".

Following is a description of what can be found in this section. Figure 3, below, provides a reference point for where this information is typically located.

- A. **Scheduled Payment Amount:** The full scheduled payment amount including principal & interest and escrow, based on your last periodic Mortgage Billing Statement.
- B. **Month:** The month in which the transaction occurred
- C. **Actual Payment to Escrow Account:** The actual amount we received from you or credited to your account (e.g., tax or insurance refund, etc.). The description (G) will contain additional information (e.g., Payment, Tax Refund, etc.).
- D. **Projected Payments to Escrow Account:** Based on your last Escrow Statement, the amount projected that we would receive from you.

*A letter (d) indicates a difference between what actually occurred and was anticipated. This could be a difference in the projected disbursement month or a payment difference of more than \$5.00.*

- E. **Actual Payments from Escrow Account:** The actual amount we disbursed from escrow. The description (G) will contain the payee.
- F. **Projected Payments from Escrow Account:** Based on your last Escrow Statement, the amount projected that we would disburse from your escrow account.

*A letter (d) indicates a difference between what actually occurred and was anticipated. This could be a difference in the projected disbursement month or a payment difference of more than \$5.00.*

- G. **Description:** A description of the escrow transaction, which is typically the payee.
- H. **Actual Escrow Running Balance:** The actual balance in your escrow account at the end of each month based on actual payments (C) and actual disbursements (D) that occurred during the period.
- I. **Projected Required Balance:** Based on your last Escrow Statement, the projected required escrow balance in your account after each transaction.
- J. **Actual Activity Combined Totals:** For actual transactions during the period contains the total payments from you, total insurance disbursements, total tax disbursements. Any amounts credited or debited not related to a payment, taxes, or insurance will be contained in other credits or other debits.

Figure 3 - Actual Activity

#### Escrow Statement Actual Activity

This section provides a comparison of the projected and actual escrow account activity for the last payment period. Projected amounts are taken from your last analysis, dated 11/02/2016. Your most recent scheduled mortgage payment during the past year was \$1,720.70 of which \$1,059.18 was for principal and interest and \$661.52 was credited to your escrow account.

B Month	C Actual Payments to Escrow Account	D Projected Payments to Escrow Account	E Actual Payments from Escrow Account	F Projected Payments from Escrow Account	G Description	H Actual Escrow Running Balance	I Projected Required Balance	
Starting Balance: 11/02/2016							\$6,297.28	\$6,616.25
NOV 16	\$0.00	\$0.00	\$5,956.58	\$0.00(d)	SODEXHO MS CANADA			
NOV 16	\$0.00	\$0.00	\$0.00	\$55.04(d)	QLOGIC	\$340.70	\$6,561.21	
DEC 16	\$0.00	\$637.71(d)	\$0.00	\$5,956.58(d)	SODEXHO MS CANADA			
DEC 16	\$0.00	\$0.00	\$0.00	\$55.04(d)	QLOGIC	\$340.70	\$1,187.30	
JAN 17	\$1,299.23	\$648.70(d)	\$0.00	\$55.04(d)	QLOGIC	\$1,639.93	\$1,780.96	
FEB 17	\$0.00	\$648.70(d)	\$0.00	\$55.04(d)	QLOGIC	\$1,639.93	\$2,374.62	
Ending Balance: 02/01/2017							\$1,639.93	\$2,374.62
<b>Totals</b>	<b>\$1,299.23</b>	<b>\$1,935.11</b>	<b>\$5,956.58</b>	<b>\$6,176.74</b>				

Actual Activity Combined Totals	Payments	Insurance	Taxes	Other Credits	Other Debits
	\$1,299.23	\$0.00	\$5,956.58	\$0.00	\$0.00

A letter (d) indicates a difference between what actually occurred and what was anticipated. This difference may be due to a change in escrow items such as an increase in your insurance premium or a change in the due date of your property tax. Insurance and tax payments may be disbursed before their due dates to allow for more mail and posting time at the insurance company or tax office. Payment differences of \$5.00 or less will not be marked with a letter (d).

#### 4 Frequently Asked Questions (FAQ)

We have included several FAQ within your statement. Below is some contact information that you may need prior to reviewing your actual statement. Additionally, mortgage loans which include Private Mortgage Insurance (PMI) disbursements will also include a notice of right to cancel PMI before the FAQ section.

##### *What do I need to do when I have questions or need to provide documentation about changes?*

Questions about your escrow account can be directed to Customer Service by calling 1-800-239-1996. Any future changes in your taxes or insurance need to be reported to BBVA Compass. The documentation related to the change can be sent via fax or mail. When sending us documentation, please provide a cover letter with your account number and reason for sending.

Escrow Related Contacts	Contact Information	Other Details
Customer Service	800-239-1996	
Mortgage Escrow Fax	205-524-8254	
Mortgage Escrow Mailing Address	P.O. Box 830953 Birmingham, AL 35283 ATTN: Mortgage Escrow Dept	Tax bills and another escrow related communication.
Mortgage Escrow Insurance Mailing Address	P.O. Box 200017 Kennesaw, GA 30156-9246 ATTN: Insurance Payment Processing	Insurance bills
Web Address	<a href="http://www.bbvacompass.com/contact/">http://www.bbvacompass.com/contact/</a>	Provides list of contacts

##### *Who do I need to contact if I want to assert there has been an error made with the servicing of my loan, or if I want to request information about the servicing of my loan?*

If you want to assert there has been an error made with the servicing of your loan, or if you would like to request information about the servicing of your loan, then you must send written notice to us at Compass Bank, PO Box 10184, Birmingham, Alabama 35202.