



The Farmers National Bank of Emlenton

UNDERSTANDING YOUR ESCROW STATEMENT

Farmers National Bank reviews your escrow account at least once a year, and sends you the results in your escrow account disclosure statement. Here is a guide to the information contained in the statement.

Account Summary and Contact Information

The top section of the first page lists the loan account details and includes customer service information if you need assistance.

Escrow Activity Summary

This section displays payment, disbursement and escrow balance information, comparing the previous year projections to the actual activity is displayed, along with any anticipated activity.

The escrow activity summary section continues with the escrow balance information for both the beginning and ending dates of the analysis period, the total amount of escrow payments and total disbursements made, including anticipated activity.

This section concludes with a summary of the anticipated payments from your account, and lowest monthly balance information.

First Analysis Statements

For loans going through the escrow analysis for the first time, a statement of the actual payments, disbursements and escrow balance for the year is displayed, along with any anticipated activity. No previous year projections are displayed on first analysis statements.

Escrow Projection Summary

The projection summary section provides an estimate of activity in your escrow account for the upcoming year based on the payments anticipated to be made from the account.

The projected disbursement summary displays the type of disbursement, annual amount to be disbursed and reserves required.

The escrow analysis summary compares the anticipated escrow balance (amount reflected in the escrow activity section) with the analysis (projected) escrow balance. This result of this comparison determines whether there is a shortage or surplus in your escrow balance.

Payment Change

The section with your payment change information typically appears on page 3 of the statement. It shows your current monthly payment amount, your new monthly payment amount and the date when the new amount goes into effect. This amount will vary depending on whether you have a shortage or surplus.

Payment information that appears if you have a shortage

If you have a shortage – meaning that we've had to pay more out of your escrow account than you deposited into it – you'll typically see two different options for your new payment amount:

- **Option 1** includes a "shortage" amount as part of your new monthly payment. It takes effect if you choose not to pay your entire shortage up front.
- **Option 2** takes effect if you choose to pay your entire shortage up front. It doesn't include a "shortage" amount as part of your new monthly payment.

If your statement does include an option to pay the entire amount up front, there will be a shortage payment coupon at the bottom of page 5. Detach the coupon and send it with your shortage payment if you choose this option.