

IMPORTANT INFORMATION ABOUT YOUR ESCROW ANALYSIS STATEMENT

Thank you for taking a few moments to review your Escrow Analysis. Below is a quick guide to help you understand what's included.

PROJECTIONS FOR THE COMING YEAR

This section shows the estimated payments that will be collected and paid from your escrow account over the next year. These estimates are based on what happened during your previous escrow period.

PAYMENTS TO ESCROW: Represents 1/12 of total projected escrow disbursements for the coming year. This payment does not include any portion for prior year shortages.

PAYMENTS FROM ESCROW: Represents amounts and timing of projected escrow disbursements for the coming year. Actual activity could vary based on changes in the property's assessed value, tax rates, or homeowner's insurance premiums.

REQUIRED LOW BALANCE: Equal to two months of escrow payments. This amount is held in reserve to help fund future increases in the assessed value, tax rates, or homeowner's insurance premiums.

REQUIRED STARTING BALANCE: Amount needed in the account at the beginning of the new escrow period to prevent the balance from falling below the *required low balance* over the next 12 months.

Example Only

**ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT
PROJECTIONS FOR COMING YEAR 05-2023 THRU 04-2024**

This is an estimate of activity in your escrow account during the coming year based on payments anticipated to be made from your account.

Month/ Year	Payments To Escrow Account	Payments From Escrow Account	Description	Projected Escrow Balance
Required Starting Balance				4,125.51
05-2023	789.12	0.00		4,914.63
06-2023	789.12	0.00		5,703.75
07-2023	789.12	4,914.63	OAKLAND CO FARMINGTON HILLS CITY City Ta	1,578.24
08-2023	789.12	0.00		2,367.36
09-2023	789.12	0.00		3,156.48
10-2023	789.12	0.00		3,945.60
11-2023	789.12	0.00		4,734.72
12-2023	789.12	975.64	OAKLAND CO FARMINGTON HILLS CITY City Ta	4,548.20
01-2024	789.12	3,579.19	AUTO OWNERS INSURANCE COMPANY Homeowner'	1,758.13
02-2024	789.12	0.00		2,547.25
03-2024	789.12	0.00		3,336.37
04-2024	789.12	0.00		4,125.49

Under Federal Law, your lowest monthly balance should not exceed \$1,578.24 or 2 months of the anticipated payments from escrow. We chose a low balance of \$1,578.24 or 1/6th of anticipated payments from escrow. In order to achieve this low balance, your starting balance should be \$4,125.51 as shown above.

In fact, your anticipated escrow balance at the beginning of 05-2023 is \$3,831.64. This means that you have a shortage of \$293.87. This shortage may be collected from you over a period of 12 months unless the shortage is less than 1 month's deposit, in which case we have the additional option of requesting payment within 30 days. We have decided to collect it over 12 months, unless you choose to pay the shortage now. If you choose to do so, you may remit your payment using the form at the end of this statement.

Please keep this statement for comparison with the actual activity in your escrow account at the end of the escrow computation year.

Your new monthly mortgage payment for the coming year starting 05-2023 will be \$2,445.55 of which \$1,631.94 will be for principal and interest, and \$813.61 will go into your escrow account.

SHORTAGE (if applicable): The amount the current escrow balance is lower than the *required starting balance*. This *shortage* amount will be spread over the next 12 months and included in your new escrow payment. Full or partial payment of the *shortage* amount will be accepted until **April 15, 2026**, to reduce the adjustment to your new payment. You are able to pay your *shortage* at a branch, by mailing in the coupon on the final page of the analysis, or by calling the Loan Servicing Department at 800.355.0641; option 4; option 5.

DEFICIENCY (if applicable): The current amount the escrow account is overdrawn. This would result from previous payments exceeding the funds available. This, along with the calculated *shortage*, will be spread over the next 12 months and included in your new escrow payment.

SURPLUS (if applicable): The amount the current escrow balance exceeds the *required starting balance*. This *surplus* amount will be automatically refunded if it exceeds \$50 and payments are current. Surplus checks will be mailed within the next four weeks. If the *surplus* is less than \$50, the amount will remain in your escrow account.

NEW MONTHLY PAYMENT: This will be your new payment if you choose to spread the *shortage/deficiency* (if applicable). For payment options, see **PAYMENT CHANGE NOTIFICATION** section.

ACCOUNT HISTORY

Here you'll find a summary of what was expected and what actually occurred in your escrow account since your last analysis, including payments collected and bills paid on your behalf.

PAYMENTS TO ESCROW: Projected - based on prior Escrow Analysis. Actual - reflects actual amounts paid to escrow by month.

PAYMENTS FROM ESCROW: Projected - based on the projected escrow disbursements for the prior year. Actual - reflects actual amounts disbursed from escrow by month. May differ from projected based on changes in the property's assessed value, tax rates, or homeowner's insurance premiums.

ESCROW BALANCE: Running total of the escrow account balance during the prior period.

Example Only

**ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT
ACCOUNT HISTORY**

This is a statement of the activity in your escrow account from 05-2022 up to the beginning of your new escrow computation year - 05-2023.

Your monthly mortgage payment for the period was \$2,397.00 of which \$1,631.94 was for principal and interest, and \$765.06 went into your escrow account.

The following compares Actual Activity to Prior Projection:

Month Year	Projected Payments To Escrow	Actual Payments To Escrow	Projected Payments From Escrow	Actual Payments From Escrow	Payments From Escrow Description	Escrow Balance Projected	Escrow Balance Actual
Starting Balance						4,122.78	4,120.38
05-22	763.72	765.06	0.00	0.00*		4,886.50	4,885.44
06-22	763.72	765.06	0.00	0.00*		5,650.22	5,650.50
07-22	763.72	765.06	4886.50	0.00*		1,527.44	6,415.56
08-22	763.72	765.06	0.00	4914.88*	OAKLAND CO FARMINGTON HILLS CITY City Taxes	2,291.16	2,265.99
09-22	763.72	765.06	0.00	0.00*		3,054.88	3,031.05
10-22	763.72	765.06	0.00	0.00*		3,818.60	3,796.11
11-22	763.72	765.06	0.00	0.00*		4,582.32	4,561.17
12-22	763.72	765.06	951.04	975.64*	OAKLAND CO FARMINGTON HILLS CITY City Taxes	4,395.00	771.40
01-23	763.72	765.06	0.00	3579.19*	AUTO OWNERS INSURANCE COMPANY Homeowner's	1,831.59	1,536.46
02-23	763.72	765.06	0.00	0.00*		2,595.31	2,301.52
03-23	763.72	765.06	0.00	0.00*		3,359.03	3,066.58
04-23	763.72	765.06	0.00	0.00*		4,122.75	3,066.58
					Anticipated		3,831.64

ESCROW ANNUAL INFORMATION

This section shows the total amount you contributed to your escrow account and the total amount Independent Bank paid for expenses such as taxes and insurance during the past year.

ITEMIZED DISBURSEMENTS

This area provides a breakdown of the individual payments made from your escrow account.

PAYMENT CHANGE NOTIFICATION

If your monthly payment has changed, this section will show your new payment amount and available payment options.

TOTAL NEW PAYMENT WITH ALTERNATIVE ESCROW: This will be your new payment if you pay the *shortage/deficiency* by **April 15, 2026**.

TOTAL NEW PAYMENT WITH SPREAD ESCROW (if applicable): This will be your new payment if you do not pay the *shortage/deficiency* by **April 15, 2026**. If you cannot afford the adjustment to your payment, other options for spreading the *shortage/deficiency* may be available by contacting the Loan Servicing Department at 800.355.0641; option 4; option 5.

Example Only

ESCROW ANNUAL INFORMATION

Paid Into Escrow	9,180.72	Paid Out of Escrow	9,469.46
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ITEMIZED DISBURSEMENTS

OAKLAND CO FARMINGTON HILLS CITY City Taxes	5,890.27
AUTO OWNERS INSURANCE COMPANY Homeowner's	3,579.19

PAYMENT CHANGE NOTIFICATION

If the escrow shortage/deficiency of 293.87 is not paid before 04-09-2023, your payments starting on 05-01-2023 will be:

Escrow	813.61
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If the escrow shortage of 293.87 is paid before 04-09-2023, your payments starting on 05-01-2023 will be:

Escrow	789.12.
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If you have an escrow shortage and choose to pay it, the payment must be sent to our Escrow Department prior to the date given. After this date, your shortage will be spread over the next 12 months and you will begin your new payment schedule.

Total new payment with alternative escrow:	2,421.06
Total new payment with spread escrow payment:	2,445.55
P&I Payment is:	1,631.94

AUTOMATIC PAYMENT INFORMATION

If your payments are set up through Independent Bank, **no action is needed** — your payment will automatically adjust to the new amount.

If you make payments through another bank or bill-pay service, those payments **will not update automatically**. You will need to contact your financial institution to update your payment amount to match the new amount shown on your Escrow Analysis. If the payment is not updated, it could result in an incomplete payment, late fees, or possible negative credit reporting.