

## **Annual Escrow Review**

On an Annual Basis, Texas Bay Credit Union reviews your escrow account to ensure we have enough to pay your upcoming taxes and/or insurance premiums.

Any differences between what we expected to pay out and what we actually paid out could impact whether your escrow account has a **shortage, deficiency** or a **surplus**.

**Shortage** occurs when you do not have enough money in your escrow account to start off the year. The system calculates how much we're going to pay out this year while still making sure we don't go below the required minimum balance in the account.

If you have a deficiency or shortage, it will automatically be spread out over the next 12 months, unless you bring the shortage/deficiency payment in before the **deadline of February 25, 2019**.

**Deficiency** means that your escrow account actually went negative after we paid all of the taxes and insurance amounts for this year (March to March). If you have a deficiency, you will also have a shortage. This will also be spread over the next 12 months and added your base escrow payment if not paid before the **deadline of February 25, 2019**.

**Surplus** occurs when you have more than enough in your escrow account to start off the year. Any applicable additional funds will be mailed to you in the form of a check on March 1.

**What is the last day to bring in my funds for the deficiency and/or shortage?**

February 25, 2019.

**Will my escrow payment amount change from year to year?**

It is highly likely it will change. The escrow payment amount is made up of your taxes and insurances for the whole year, divided by 12. So if the taxes and/or insurance premiums change the escrow payment amount will change.

For information purposes only.