



651.215.3500
 888.347.7473
 blazeu.com

ESCROW ACCOUNT DISCLOSURE STATEMENT GUIDE - SHORTAGE

Annual Escrow Account Disclosure Statement

Escrow accounts hold funds for property taxes and insurance payments. Every year, Blaze is required to analyze your escrow account to determine if we are collecting an adequate amount to pay your property tax bills and insurance premiums on your behalf.

The purpose of the Escrow Account Disclosure Statement (also known as the Escrow Analysis) is to provide information on amounts collected and paid for the previous year and projected payments for the current year. **Blaze is not changing the terms of your mortgage or your monthly loan payment.**

The Annual Escrow Account Disclosure Statements are sent out in late June or early July.

Payment Updates

Your new escrow payment will be effective September 1.

If you set up an automatic payment in Blaze Digital Banking, you will need to adjust your monthly mortgage payment amount. If your automatic payment was set up by Blaze and is your exact payment amount, we will update your monthly payment on your behalf.

Lump Sum Shortage Payment

If you have an escrow shortage and choose to pay it in a lump sum, you can pay it in Blaze Digital Banking, at your local Blaze branch, or by mail using the address on the statement. **This must be completed no later than two weeks prior to the new payment effective date of August 1.**

How to Read Your Blaze Annual Escrow Account Disclosure Statement

Follow these tips to understand your Escrow Analysis. If you have any questions, please contact us at 651.215.3500.

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The top of the first page of the Escrow Analysis provides the projections for the coming year effective September to August.

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT
 PROJECTIONS FOR COMING YEAR 09-2025 THRU 08-2026

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.....				2,711.20
09-2025	677.78	0.00		3,388.98
10-2025	677.78	3,033.49	HOMETOWN COUNTY TREAS	1,033.27
11-2025	677.78	0.00		1,711.05
12-2025	677.78	0.00		2,388.83
01-2026	677.78	0.00		3,066.61
02-2026	677.78	2,066.46	INSURANCE CO	1,677.93
03-2026	677.78	0.00		2,355.71
04-2026	677.78	0.00	HOMETOWN COUNTY TREAS	3,033.49
05-2026	677.78	3,033.49		677.78
06-2026	677.78	0.00		1,355.56
07-2026	677.78	0.00		2,033.34
08-2026	677.78	0.00		2,711.12

Federal rules require a minimum balance, called an escrow cushion, to ensure funds are available when bills come due. If your actual balance falls below this level, a shortage occurs.

Under Federal Law, your lowest monthly balance should not exceed \$1,355.56 or 2 months of the anticipated payments from escrow. We chose a low balance of \$677.78 or 1/12th of anticipated payments from escrow. In order to achieve this low balance, your starting balance should be \$2,711.20 as shown above.

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In this sample case, there was a shortage of \$835.74 to cover escrow disbursements for the previous year.

In fact, your anticipated escrow balance at the beginning of 09-2025 is \$1,875.46. This means that you have a shortage of \$835.74. 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.

The last paragraph of the first page of the Escrow Analysis shows your new monthly payment. **The Principal and Interest payment for your Blaze Mortgage loan did not change.** Only the escrow portion of your payment was adjusted due to changes in taxes and/or insurance.

Your new monthly mortgage payment for the coming year starting 09-2025 will be \$1,353.17 of which \$605.74 will be for principal and interest, and \$747.43 will go into your escrow account. The terms of your loan may result in changes to the monthly principal and interest payments during the year.

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The second page of the Escrow Analysis shows the activity on your account over the last year compared to what was projected.

The Projected Payments From Escrow column shows the best information available at the time of the previous Escrow Analysis. If taxes or insurance changed over the last year, the actual amounts will be higher or lower than projected.

The bottom right-hand corner of the table shows your anticipated escrow balance for the current year. This is the amount used to estimate your escrow payments for the upcoming year.

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT
ACCOUNT HISTORY

This is a statement of the activity in your escrow account from 09-2024 up to the beginning of your new escrow computation year - 09-2025.

Your monthly mortgage payment for the period was \$1,247.15 of which \$605.74 was for principal and interest, and \$641.41 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.....						2,474.46	2,200.96
09-24	618.61	641.41	0.00	2923.20	*HOMETOWN COUNTY TREAS	3,093.07	-80.49
		0.34			*Credit Dividends		
10-24	618.61	641.41	2923.20	0.00	*	788.48	560.92
11-24	618.61	641.41	0.00	0.00	*	1,407.09	1,202.33
12-24	618.61	1282.82	0.00	0.00	*	2,025.70	1,843.89
		0.15			*Credit Dividends		
		-641.41					
01-25	618.61	641.41	0.00	2066.46	*INSURANCE CO	2,644.31	418.84
02-25	618.61	1282.82	1576.94	0.00	*	1,685.98	1,701.66
03-25	618.61	641.41	0.00	0.00	*	2,304.59	2,343.31
		0.24			*Credit Dividends		
04-25	618.61	641.41	0.00	3033.49	*HOMETOWN COUNTY TREAS	2,923.20	-48.77
05-25	618.61	641.41	2923.20	0.00	*	618.61	592.64
06-25	618.61	641.41	0.00	0.00	*	1,237.22	1,234.05
07-25	618.61	0.00	0.00	0.00	*	1,855.83	1,234.05
08-25	618.61	0.00	0.00	0.00	*	2,474.44	1,234.05
		641.41			Anticipated		1,875.46

An asterisk (*) indicates a difference from a previous estimate either in the date or the amount.



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The Escrow Annual Information section at the bottom of the second page shows how much was paid into your escrow account over the last year and what was paid out. The differences reflect whether a shortage or surplus occurred and why an adjustment may be made for the upcoming year.

ESCROW ANNUAL INFORMATION

Paid Into Escrow	7,697.65**	Paid Out of Escrow	8,023.15
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** Includes Interest Credit of 0.73

Finally, you'll see an itemized list of disbursements for taxes and insurance for the last year.

ITEMIZED DISBURSEMENTS

HOMETOWN COUNTY TREAS	5,956.69
INSURANCE CO	2,066.46