

CUMMINGS FINANCIAL

Escrow\Impound Account Agreement

Your loan documents contain provisions, which may require you to pay on a monthly basis (In addition to your principal and interest) taxes, bonds, assessments, insurance premiums and other charges relating to your property. These payments are called “escrow payments.” Escrow payments enable you to budget the costs of these required payments over the entire year. They also ensure that funds are available to pay these items as they become due. Escrow accounts are reviewed at least once a year by the investor. At the time of review, the investor will provide you with an Escrow Account Statement and a notice explaining any changes in the amount of your escrow payments. If the escrow payments collected are not sufficient to pay the annual taxes, insurance premiums, or other charges as they come due, you will be required to pay any amounts necessary to make up the shortfall.

If your Loan to Value (LTV) is less than 80%, you have the option to pay your taxes & insurance when they come due. If you choose to pay your own taxes and insurance, all investors charge a one time fee of .25% of the loan amount to “Waive Escrows”. This will appear as a charge on my settlement statement at closing.

I/We acknowledge receipt of this Escrow/Impound Account Agreement and request one of the following: (Please check one box)

An escrow/impound account will be established for payment of my property taxes and insurance. (Including flood insurance, if required).

No escrow/impound account be established in connection with my loan. The fee to Waive my escrow account is .25% of my loan amount to not have taxes and insurance collected and paid by the investor.

Borrower Signature

Date

Co-Borrower Signature

Date

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