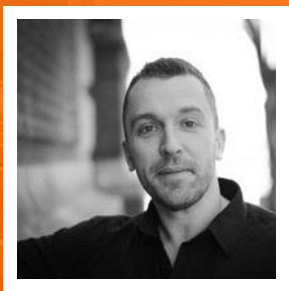




**WEBINAR SERIES**

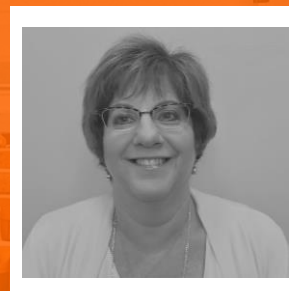
## Part 2: How To Use STRATEGY's Escrow Analysis

# Meet the team.



**Anthony Villa**

*Managing Director of Marketing & Sales*  
*Anthony.villa@mccrackenfs.com*



**Joan Sittard**

*Business Analyst & Implementation*  
*Manager*

Before we begin, a few reminders.



Submit your  
questions anytime.



We'll send you  
the recording.



Complete the  
survey.

# Our agenda.



1. Recap of Part One Escrow Analysis Webinar - Reviewing the Basics
2. System Level Parameters for Regular Escrow Analysis
3. Performing the Analysis
4. Reviewing the Analysis

## SECTION 1

Recap of Part One Escrow  
Analysis Webinar -  
Reviewing the Basics



# Recap of Session One

- Reviewed why an Escrow Analysis
- Escrow Analysis Methods
- Vendor and Loan Level Information used in Escrow Analysis
- High level overview of System Parameters
- Performing and Reviewing the Escrow Analysis

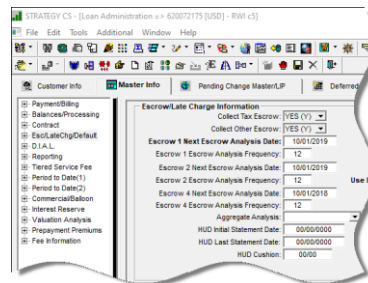
# Reviewing the Basics

- The amount due for Taxes and Insurance do not remain the same for the life of the loan
- Periodically calculations must be performed to make sure the borrower will have enough funds in escrow to cover for the next year's disbursements and premiums
- STRATEGY has many parameters available to ensure an adequate amount for the next disbursement
- Escrow Analysis can be run by Group or by Individual Loan Number
- Any of the Parameters can be overridden at the time of analysis



# Regular Escrow Analysis Method

- There are a variety of methods available for calculating the Escrow Analysis
- Regular Escrow Analysis
- Hud Escrow Analysis
- Aggregate Escrow Analysis
- Combined Balance
  - These methods can be selected from the drop down for field Aggregate Analysis from the Master Info Tab on the Esc/Latechg/Default window. The codes are in PINFO Table ID AT- Aggregate Analysis Code





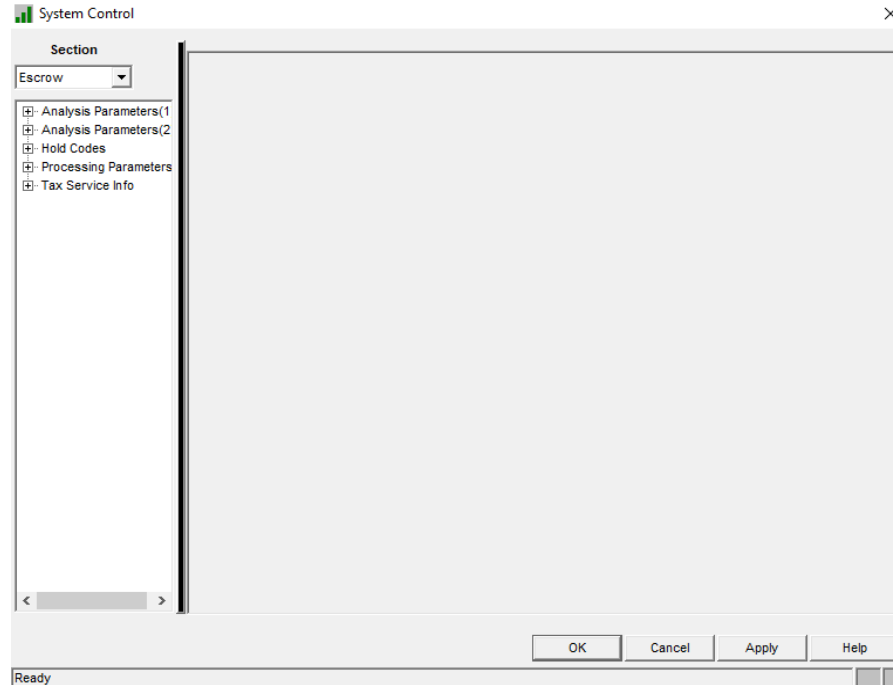
## SECTION 2



System Level Parameters

# Parameters for Escrow Analysis Regular Method

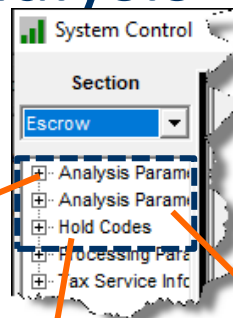
- System Level



- Override Capabilities at the time Escrow Analysis

# System Level - Escrow Analysis Options

Tools > Maintenance > System Control >



There are 47 E/A Options and the possibility of 10 E/A Hold codes

**Escrow Constant Parameters**

	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Divide By:	12	12	12
Annualize Amount:	ANNUALIZE (1)		
Increase/Decrease %:	2.00000	10.00000	0.00000
CPI %:	0.00000	0.00000	0.00000
Bill Shortages as Escrow Deficit:	NO (N)	NO (N)	NO (N)
Cushion Number of Months:	1	1	1
Required Balance Sched Pmt Exclusion Days:			
Amount to Trigger Review:			
Bill Status Code 3 Use Inflation Factor:	YES (Y)	YES (Y)	YES (Y)

Forced Place Escrow Type:

Review Forced Place Escrow:

**Escrow Analysis Hold Codes**

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Escrow Constant Parameters**

Use Additional Tax Pmt Fields: YES (Y)

Hud Cushion: 00/00

Round Total Pmt up to Nearest \$1.00: YES (Y)

Consider Lien Amounts: NO (N)

Consider Abatements: NO (N)

**Overage / Shortage Parameters**

# of Payments to Amortize Overage/Shortage: 9

# of Payments to Amortize Shortage Threshold: 9

Shortages Amortized Prior to Next Disbursement:

Shortage Threshold Amount: 0.00

Overage Threshold Amount: 1,000.00

**Forms and Printing**

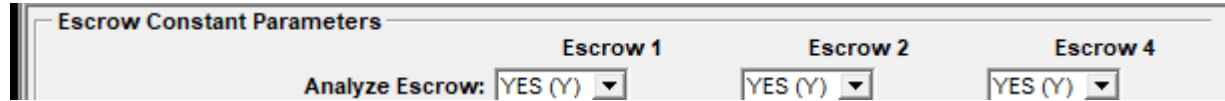
Escrow Analysis Form #: LETTER (3)

Printer to Print Form/Letter:

# of Copies: 1

Print on Hold: YES (Y)

# Analyze Escrow



	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y) ▼	YES (Y) ▼	YES (Y) ▼

- STRATEGY will only analyze loans with a bill status code other than monitoring, do not disburse or historical
- STRATEGY will never analyze escrow 3/reserves

# Additional Analysis

- This allows the system to adjust the New Basic Constant for either shortages, by increasing the constant, or for overages by reducing the constant so that a sufficient amount is collected for the amounts due for the current year.
- The system will project what the escrow balances will be at the time this new payment takes effect, and checks to see if there will be enough funds to make the disbursements, and if it is not enough or too much, then the escrow constant will be updated to reflect this difference.

**System Control**

Section: Escrow

Escrow Constant Parameters

	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Provide B...	12		12

**Override System Control**

Escrow Information

	ESCROW 1 (1)	ESCROW 2 (2)	ESCROW 4 (4)
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# Months to Provide B...		12	12

TABLE	ID	CODE	SHORT DESC	FULL DESC
AA	A	BOTH-SHORT	CALC SHT/SURP	CHG PMT-SHORTAGE
AA	B	BOTH-SURPL	CALC SHT/SURP	CHANGE PMT SURPL
AA	G	SHORT CHG	CALCULATE SHORT	- CHG PAYMENT
AA	H	SHORT NC	CALCULATE SHORT	NO PAYMENT CHG
AA	N	NO SHT/SRP	DO NOT CALCULATE	SHORT/SURPLS
AA	S	SURPLS CHG	CALCULATE SURPLUS	- CHG PYMNT
AA	T	SURPLUS NC	CALCULATE SURPLUS	NO PYMNT CHG
AA	Y	SHT/SR CHG	CALCULATE SHORT/SURPLS	CHG PMT
AA	Z	SHT/SRP NC	CALCULATE SHORT/SURPLUS	NO CHG

# # of Months to Divide By

- This is the number used to divide the annualized tax amount or insurance premium by
  - Generally, this is set to 12
  - If payment frequencies are anything other than 12 STRATEGY divides the amount due by the payment frequency and then multiplies that amount by 12
    - ✦ FL (full year) Amount Due is Annualized
    - ✦ 1H or 2H (half year) = 6  $[(\text{amount due}/6)*12]$
    - ✦ 1T, 2T or 3T (one-third year) = 4  $[(\text{amount due}/4)*12]$
    - ✦ 1Q, 2Q, 3Q or 4Q (one-quarter year) = 3  $[(\text{amount due}/3)*12]$



# Annualize Amount Taxes Only

- 0 = Do Not Annualize
  - Prior Tax amount due & divide by frequency
- 1 = Annualize Amt to Calculate Constant
  - Calculate an annualized amount using more than one amount
- 2 = Constant Not Calculated on Annualize
  - No Longer Applicable

# Increase/Decrease %

- System Control Level
  - Escrow Type 1, 2 & 4
    - ✦ Each Escrow Type
  - State Level for Tax Escrow
  - Vendor Level
    - ✦ Taxes
    - ✦ Insurance

The screenshot shows the 'System Control' window with the 'Escrow Constant Parameters' section. The parameters are organized by escrow type: Escrow 1, Escrow 2, and Escrow 4. The 'Increase/Decrease %' field is highlighted with a dashed orange box.

Parameter	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Divide By:	12	12	12
Annualize Amount:	ANNUALIZE (1)		
Increase/Decrease %:	1.00000	0.00000	0.00000
CPI %:	0.00000	0.00000	0.00000

# Increase / Decrease State Level

- Accessed from the Escrow Analysis

**Run Escrow Analysis**

☒ Individual Analysis ☐ Group Analysis

**Run Parameters**

1st Payment Effective Date: 11/2019

Override % Increase/Decrease: NO (N)

Override System Control: NO (N)

**Individual Analysis**

Account #: 621050575 Search

New Next Escrow Analysis Date: 00/00/0000

**Group Analysis**

Escrow Analysis Selection Options

- Export...
- State % Inc/Dec and CPI%

OK Cancel Help

Ready

**State % Increase Decrease and CPI %**

State	Percentage Increase/Decrease	CPI Percentage
	.00000	.00000

State: [Dropdown]

Percentage Increase/Decrease: .00000

CPI Percentage: .00000

OK Cancel Apply Help

Ready

# Increase / Decrease Vendor Level

- Taxing Authority
  - Tools > Maintenance > Vendor Maintenance
    - ✦ Taxing Authority

**Vendor Maintenance**

Authority #	Authority Name	Type of Tax	PMT1	MO1	Day 1	PMT2	MO2	Day 2
ALLE	Allegheny County, Pa	COUNTY	FULL	APR	30			0
ALLS	Allegheny Public School	SCHOOL	FULL	APR	30			0
COOK	Cook County	COUNTY	1ST HALF	MAR	1	2ND HALF	AUG	1
CUYA	Cuyahoga County	COUNTY	1ST HALF	JAN	1	2ND HALF	JUL	1
DANE	Dane County Wisconsin	COUNTY	1ST HALF	JAN	31	2ND HALF	JUL	31
DUPA	DuPage County, Illinois	COUNTY	1ST HALF	JUN	1	2ND HALF	SEP	
FO01	Test County Annual	COUNTY	FULL	DEC	0			
MARI	Maricopa County Arizona	COUNTY	1ST HALF	OCT	1	2ND HALF	MAR	
Q001	Test County Quarterly	COUNTY	1ST QTR	JAN	0	2ND QTR	APR	
S001	Test County Semi	COUNTY	1ST HALF	JUN	0	2ND HALF	SEP	
SACR	Sacramento County	COUNTY	1ST HALF	DEC	1	2ND HALF	APR	
STLO	St. Louis County Govern	COUNTY	FULL	DEC	31			

**Sys Info ID: V3 - Tax Authorities** No Payable Record

Authority #: ALLE  
Authority Name: Allegheny County, Pa  
Address Line 1: P O. Box 111  
Address Line 2: Pittsburgh, PA 15221  
Address Line 3:  
Contact:  
Telephone #: (000)000-0000  
Fax #: (000)000-0000  
Type of Tax: COUNTY (C)  
Tax Date Control:  
Payee Name: Allegheny County Treasurer

Payment: FULL (F) Month: APR (04) Day: 30 Delinquent Date: 05/01/2014  
Tax Schedule: 00/00/0000  
Tax Service Authority ID: Multiple Tax Services: No

**Escrow Analysis Information**

Taxing Authority #: ALLE Allegheny County, Pa

Notice Type: CPI Percentage: .00000  
Formula Type: % Increase/Decrease: .00000  
1st PMT Eff Month:  
2nd PMT Eff Month:

Escrow Analysis Information  
Late Release Information  
Discount Schedule Information  
Add  
Delete  
Change Payee Name...

# Increase / Decrease Insurance Vendor

- Insurance Companies and Agents
  - Tools > Maintenance > Vendor Maintenance
    - ✦ Insurance Companies and Agents

Vendor Maintenance

Agent#/Co#	Agent/Co Name	Type Of Coverage	Contact	Payment Address Line 1	Payment Address Line 2	Payment Address
001	ABC Insurance	HAZARD/LIA (H)				
002	Epic Insurance	FIRE INS (F)				
003	Capital Casualty	FIRE INS (F)		999 North Street	Chicago, IL 60606	
200	Test Agent	HAZARD/LIA (H)				
FHA	US Department of HUD	PMI (P)				

Sys Info ID: V6 - Insurance Agents and Companies

Agent#/Co#: 001

Agent/Co Name: ABC Insurance

Payment Address

Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

Contact:

Telephone #: (000) 000-0000

Fax #: (000) 000-0000

Payee Name: ABC Insurance

Correspondence Address

Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

Type of Coverage:

Min Policyholder Surplus:

FHLMC Mortgage Insurer:

Current Rating Agency Information

Rating Agency	Rating Agency's Company ID	Financial Strength Rating
A.M. BEST	A++	
FITCH	AAA	8/1/2014
MOODY'S	AAA	8/1/2014

Select

OK Cancel Apply Help

Escrow Analysis Information

Agent #/Co. #: 001 ABC Insurance

CPI Percentage:

% Increase/Decrease:

# Cushion Number of Months

- To make sure there will be enough funds to cover the disbursement
- Used with Escrow 1, 2 and 4
  - Or just one of the escrows
- Will increase the *Required Balance* which may increase the shortage amount

System Control

Section: Escrow

Escrow Constant Parameters

	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Divide By:	12	12	12
Annualize Amount:	ANNUALIZE (1)		
Increase/Decrease %:	1.00000	0.00000	0.00000
CPI %:	0.00000	0.00000	0.00000
Bill Shortages as Escrow Deficit:	NO (N)	NO (N)	NO (N)
Cushion Number of Months:	0	0	0
Required Balance Sched Pmt Exclusion Days:			

# Required Balance Scheduled Payment Exclusion Days

- This is used in determining what scheduled payments should be considered when calculating the *Required Balance*
- Examples and further explanation to follow

The screenshot displays the 'System Control' application window. On the left, a 'Section' dropdown menu is set to 'Escrow', and a tree view shows 'Analysis Param' selected. The main area is titled 'Escrow Constant Parameters' and contains three columns for 'Escrow 1', 'Escrow 2', and 'Escrow 4'. Each column has a series of input fields for various parameters. The 'Required Balance Sched Pmt Exclusion Days' field is highlighted with a dashed orange box. The 'Amount to Trigger Review' field is set to 3,000 for all three escrows.

	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Divide By:	12	12	12
Annualize Amount:	ANNUALIZE (1)		
Increase/Decrease %:	1.00000	0.00000	0.00000
CPI %:	0.00000	0.00000	0.00000
Bill Shortages as Escrow Deficit:	NO (N)	NO (N)	NO (N)
Cushion Number of Months:	0	0	0
Required Balance Sched Pmt Exclusion Days:			
Amount to Trigger Review:	3,000	3,000	3,000
Bill Status Code 3 Use Inflation Factor:			



# Required Balance Sched Pmt Exclusion Days

Analysis Run Date	9/10
Effective Date of Analysis	10/1
Last Type Paid	7/19
Payments used in Required Balance Calculation	7/1, 8/1, 9/1
Required Balance	New Constant * 3

**Logic Prior to the addition of 'Required Balance Schedule Payment Exclusion**

# Required Balance Scheduled Payment Exclusion Days

- The objection to this calculation is the inclusion of the 7/1 payment in the *Required Balance*
- In theory, the payment was due before the disbursement date and would be available for the disbursement
  - 7/1 payment was used in the 7/19 disbursement
  - Required Balance was overstated
  - Larger amount of shortage created

# Required Balance Scheduled Payment Exclusion Days

- When calculating the *Required Balance* should the system always exclude the payment due in the same month as the disbursement date?
  - No - if the payment is due AFTER the disbursement date, it should be considered as part of the required balance
  - Yes - if the payment is due BEFORE the disbursement date
  - How many days before the disbursement should be considered?

There needs to be a certain number of days before the disbursement date to ensure the payment will have been received and therefore used to pay the due amount and then be excluded from the required balance calculation

# Logic with New Parameter

Analysis Run Date	9/10
Effective Date of Analysis	10/1
Last Tax Paid	7/19
Balance Sched Pmt Exclusion Days	15 days
Pmt Due date # of Days prior to Escrow Disbursement Date	7/19-7/1 = 18
Payments used in Required Bal Calculation	8/1, 9/1
Required Balance	New Constant * 2

Payment will be excluded from  
Required Balance

# Logic with New Parameter

Analysis Run Date	9/10
Effective Date of Analysis	10/1
Last Tax Paid	7/19
Balance Sched Pmt Exclusion Days	20 days
Pmt Due date # of Days prior to Escrow Disbursement Date	7/19-7/1 = 18
Payments used in Required Bal Calculation	7/1, 8/1, 9/1
Required Balance	New Constant * 3

Payment will be included in the  
Required Balance

# Amount to Trigger Review of Analysis

- Different Trigger Amounts may be entered into the System Control File
  - Taxes (Escrow 1)
  - Insurance (Escrow 2)
  - PMI/FHA (Escrow 4)
- If the shortage or overage is greater than the value entered, the mode field will be update with REVIEW
- Use the Escrow Analysis Inquiry window filtered on REVIEW mode to review the analysis

The screenshot shows the 'System Control' window with the 'Escrow Constant Parameters' section. The 'Section' dropdown is set to 'Escrow'. The parameters are organized into columns for Escrow 1, Escrow 2, and Escrow 4. The 'Amount to Trigger Review' field at the bottom is highlighted with a red dashed box.

Parameter	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Divide By:	12	12	12
Annualize Amount:	ANNUALIZE (1)		
Increase/Decrease %:	1.00000	0.00000	0.00000
CPI %:	0.00000	0.00000	0.00000
Bill Shortages as Escrow Deficit:	NO (N)	NO (N)	NO (N)
Cushion Number of Months:	0	0	0
Required Balance Sched Pmt Exclusion Days:			
Amount to Trigger Review:	3,000	3,000	3,000

# Bill Status Code 3 Use Inflation Factor

The screenshot shows a software interface for 'Escrow Constant Parameters'. On the left is a sidebar with a 'Section' dropdown set to 'Escrow' and a list of expandable sections: 'Analysis Param...', 'Analysis Param...', 'Hold Codes', 'Processing Para...', and 'Tax Service Info...'. The main area is titled 'Escrow Constant Parameters' and contains three columns for 'Escrow 1', 'Escrow 2', and 'Escrow 4'. Each column has a 'YES (Y)' dropdown for 'Analyze Escrow:'. Below this are 'Additional Analysis:' dropdowns set to 'SHT/SR CHG (Y)', '# of Months to Divide By:' text boxes set to '12', and 'Annualize Amount:' dropdowns set to 'ANNUALIZE (1)'. Further down are 'Increase/Decrease %:' and 'CPI %:' text boxes, all set to '0.00000'. Below these are 'Bill Shortages as Escrow Deficit:' dropdowns set to 'NO (N)'. Then are 'Cushion Number of Months:' text boxes set to '0'. Then are 'Required Balance Sched Pmt Exclusion Days:' text boxes. Then are 'Amount to Trigger Review:' text boxes set to '3,000'. At the bottom, the 'Bill Status Code 3 Use Inflation Factor:' dropdowns are highlighted with a dashed orange box.

	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Divide By:	12	12	12
Annualize Amount:	ANNUALIZE (1)		
Increase/Decrease %:	1.00000	0.00000	0.00000
CPI %:	0.00000	0.00000	0.00000
Bill Shortages as Escrow Deficit:	NO (N)	NO (N)	NO (N)
Cushion Number of Months:	0	0	0
Required Balance Sched Pmt Exclusion Days:			
Amount to Trigger Review:	3,000	3,000	3,000
Bill Status Code 3 Use Inflation Factor:			

- Bill Status Code 3 reflects that the current bill amounts have been entered on the tax or insurance record(s)
  - The due amounts are current and may not need to be *'inflated'* for the purpose of calculating a sufficient escrow payment
  - Using the inflation factor causes the Required Balance to be increased



# Forced Place Escrow

- Forced Place Escrow Type
  - PINFO table ID 50 – Insurance Escrow Type
- Review Forced Place Escrow
  - Yes/No

System Control

Section  
Escrow

Analysis Param  
Analysis Param  
Hold Codes  
Processing Para  
Tax Service Info

Escrow Constant Parameters

	Escrow 1	Escrow 2	Escrow 4
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
# of Months to Divide By:	12	12	12
Annualize Amount:	ANNUALIZE (1)		
Increase/Decrease %:	1.00000	0.00000	0.00000
CPI %:	0.00000	0.00000	0.00000
Bill Shortages as Escrow Deficit:	NO (N)	NO (N)	NO (N)
Cushion Number of Months:	0	0	0
Required Balance Sched Pmt Exclusion Days:			
Amount to Trigger Review:	3,000	3,000	3,000
Bill Status Code 3 Use Inflation Factor:			

Forced Place Escrow Type: HAZARD (HZ)

Review Forced Place Escrow: YES (Y)

# Escrow Analysis Parameters (Window 2)

The screenshot shows a software window titled 'System Control' with a close button (X) in the top right corner. On the left is a sidebar with a 'Section' dropdown menu set to 'Escrow'. Below this are several expandable/collapsible items: 'Analysis Param' (which is expanded and highlighted in blue), 'Hold Codes', 'Processing Par', and 'Tax Service Inf'. The main area of the window is divided into three sections:

- Escrow Constant Parameters**: Contains five dropdown menus: 'Use Additional Tax Pmt Fields:' (YES (Y)), 'Hud Cushion:' (00/00), 'Round Total Pmt up to Nearest \$1.00:' (YES (Y)), 'Consider Lien Amounts:' (NO (N)), and 'Consider Abatements:' (NO (N)).
- Overage / Shortage Parameters**: Contains four input fields: '# of Payments to Amortize Overage/Shortage:' (3), '# of Payments to Amortize Shortage Threshold:' (0), 'Shortages Amortized Prior to Next Disbursement:' (a dropdown menu), 'Shortage Threshold Amount:' (0.00), and 'Overage Threshold Amount:' (0.00).
- Forms and Printing**: Contains three input fields: 'Escrow Analysis Form #' (STANDARD (1)), 'Printer to Print Form/Letter:' (a text box), and '# of Copies:' (1). It also has a 'Print on Hold:' dropdown menu set to YES (Y).

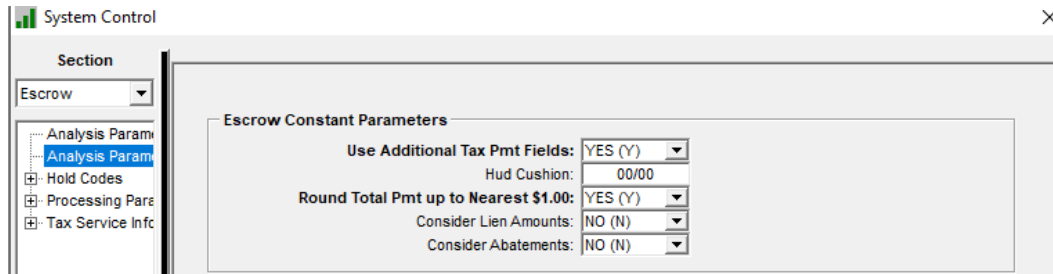
At the bottom left of the window, there are navigation arrows: a left arrow, a greyed-out button, and a right arrow.

# Use Additional Tax Payment Fields

- Use Additional Tax Payment Fields – Yes/No
  - 1<sup>st</sup> Tax Bill Amount
  - 2<sup>nd</sup> Tax Bill Amount
  - 3<sup>rd</sup> Tax Bill Amount
  - 4<sup>th</sup> Tax Bill Amount
- Used with the Annualized Amount

# Round Total Payment up to Nearest \$1.00

- This setting will update the constant and round the payment in whole dollars – if it is not rounded you may get an additional .01 per record



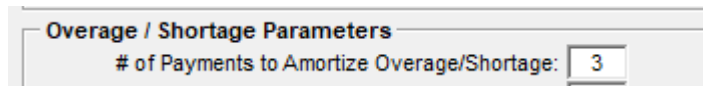
The screenshot shows a software window titled "System Control" with a close button (X) in the top right corner. On the left is a sidebar with a "Section" dropdown menu set to "Escrow". Below this, a tree view lists several categories: "Analysis Param" (highlighted in blue), "Analysis Param" (highlighted in blue), "Hold Codes", "Processing Para", and "Tax Service Info". The main area of the window displays the "Escrow Constant Parameters" section, which contains five settings, each with a label and a dropdown menu:

Parameter	Value
Use Additional Tax Pmt Fields:	YES (Y)
Hud Cushion:	00/00
Round Total Pmt up to Nearest \$1.00:	YES (Y)
Consider Lien Amounts:	NO (N)
Consider Abatements:	NO (N)

# Consider Lien and Abatements

- Informational ONLY
- No functionality
- Yes/No Fields

# Overage/Shortage Parameters



Overage / Shortage Parameters

# of Payments to Amortize Overage/Shortage: 3

- # of Payments to Amortize Overage/Shortage
  - This is dependent on the selection from the Additional Analysis
  - This will create two Payment Amounts
    - ✦ The first payment amount calculated will deal with either overage or shortage amounts
    - ✦ The second payment amount calculated will be based on the current amount due
  - If this field is left blank but it has been determined that there is an overage or a shortage for the loan analyzed, the payment amount will reflect this amount which will stay the same until the next escrow analysis

# Shortage Amortized Prior to Next Disb. Date

- The system will calculate the amortization period
- For each loan being analyzed, each escrow record will be reviewed to see if there are any disbursements scheduled prior to the total shortages being collected
  - If yes, the amortization period will be adjusted to match the length of time to the disbursement of the loan
  - If no, the original amortization period will remain



# System Control Escrow Analysis Hold Codes

[illegible]

## SECTION 3



## Performing the Analysis

# Performing the Escrow Analysis

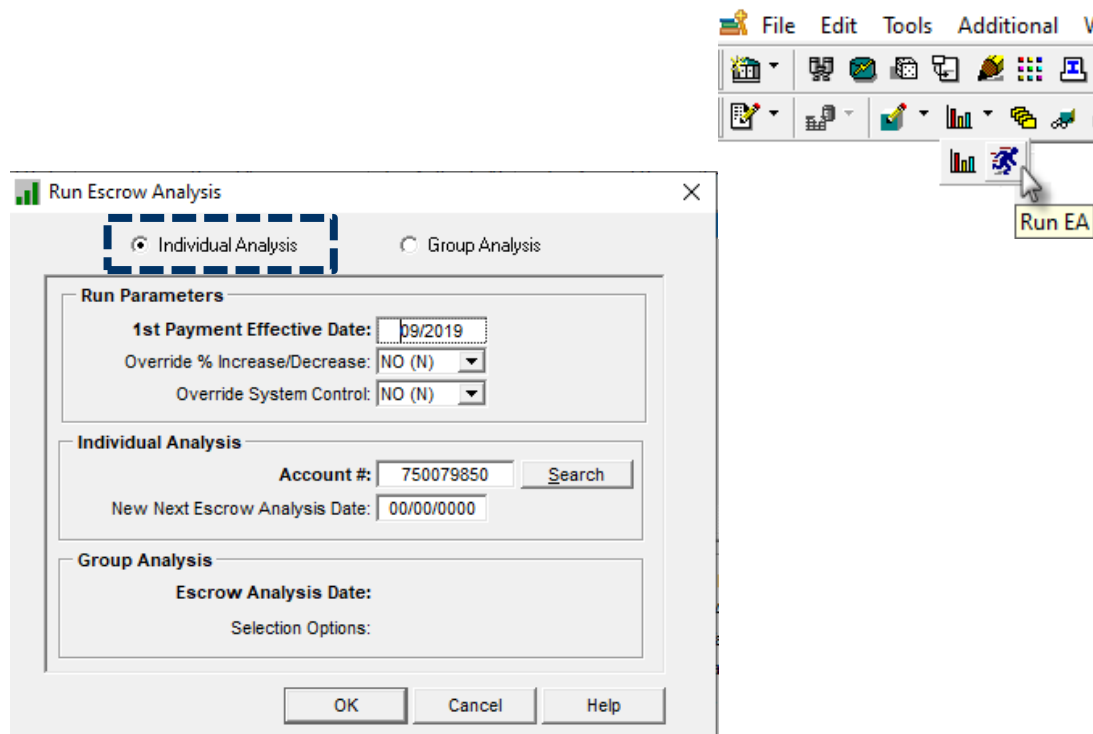
- Escrow Analysis can be performed by Individual Loan
- Escrow Analysis can be performed by Group
  - Next Escrow Analysis Date
    - Town
    - State
    - Servicer
    - County
    - Investor
- Escrow Analysis has on screen view access once analysis is performed
- Ability to run reports, print letters/notices and mode change
- Multiple users can run escrow analysis at the same time

# What happens when the Analysis runs

- When escrow analysis is performed the system uses the information in the various files and determines what the expected and required balance should be which then will determine if there will be an overage or a shortage. The system will determine what payments are going toward the required balance, if there is a cushion parameter it will add that to the required balance. Lastly, the system will take into consideration the increase/decrease % or inflation factor.

# Running the Escrow Analysis

Multiple people can  
run an analysis at  
the same time.



The screenshot shows the 'Run Escrow Analysis' dialog box with the 'Individual Analysis' radio button selected and highlighted by a dashed blue box. The 'Run Parameters' section contains the following fields: '1st Payment Effective Date' (09/2019), 'Override % Increase/Decrease' (NO (N)), and 'Override System Control' (NO (N)). The 'Individual Analysis' section contains 'Account #' (750079850) and 'New Next Escrow Analysis Date' (00/00/0000). The 'Group Analysis' section is empty. At the bottom are 'OK', 'Cancel', and 'Help' buttons. Above the dialog box is a menu bar with 'File', 'Edit', 'Tools', 'Additional', and 'V'. A toolbar below the menu bar contains various icons, and a 'Run EA' button is visible below the toolbar.

File Edit Tools Additional V

Run EA

Run Escrow Analysis

☒ Individual Analysis ☐ Group Analysis

**Run Parameters**

1st Payment Effective Date: 09/2019

Override % Increase/Decrease: NO (N)

Override System Control: NO (N)

**Individual Analysis**

Account #: 750079850 Search

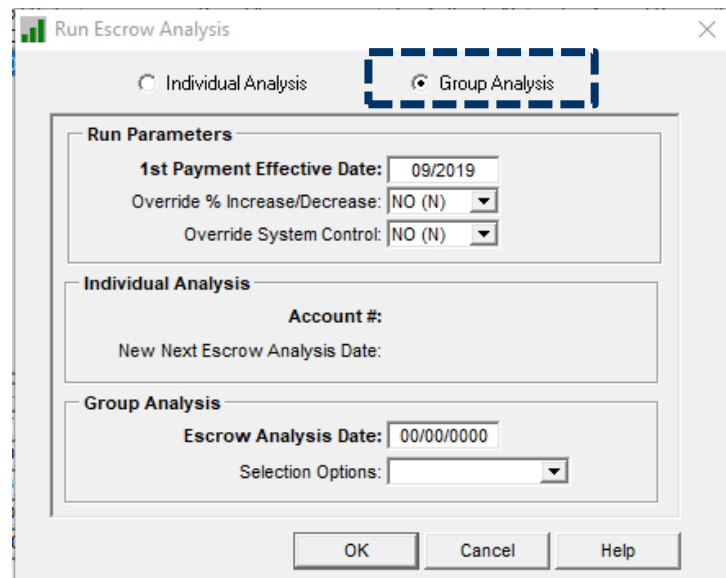
New Next Escrow Analysis Date: 00/00/0000

**Group Analysis**

Escrow Analysis Date:

Selection Options:

OK Cancel Help



The screenshot shows the 'Run Escrow Analysis' dialog box with the 'Group Analysis' radio button selected and highlighted by a dashed blue box. The 'Run Parameters' section contains the following fields: '1st Payment Effective Date' (09/2019), 'Override % Increase/Decrease' (NO (N)), and 'Override System Control' (NO (N)). The 'Individual Analysis' section contains 'Account #' and 'New Next Escrow Analysis Date'. The 'Group Analysis' section contains 'Escrow Analysis Date' (00/00/0000) and 'Selection Options'. At the bottom are 'OK', 'Cancel', and 'Help' buttons.

Run Escrow Analysis

☐ Individual Analysis ☒ Group Analysis

**Run Parameters**

1st Payment Effective Date: 09/2019

Override % Increase/Decrease: NO (N)

Override System Control: NO (N)

**Individual Analysis**

Account #:

New Next Escrow Analysis Date:

**Group Analysis**

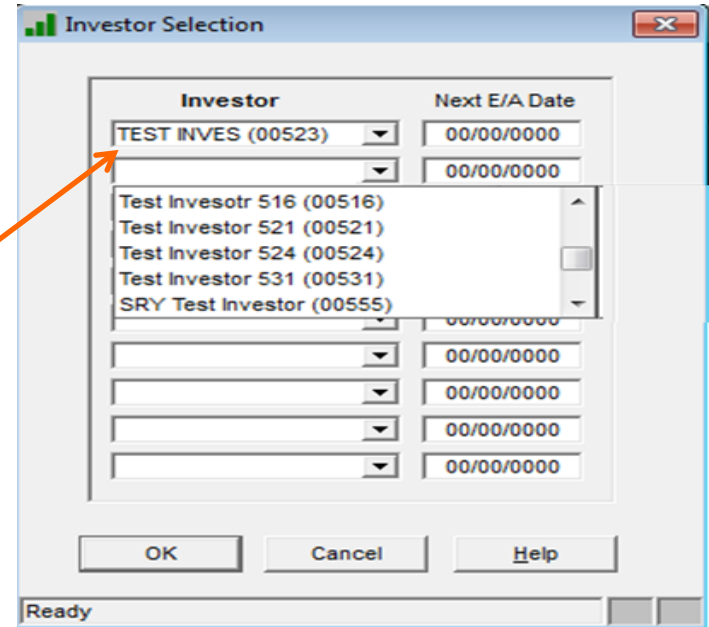
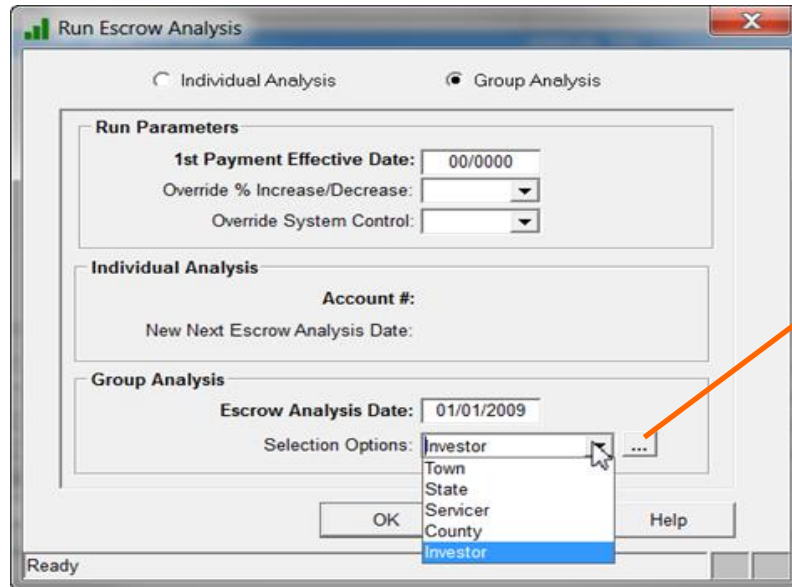
Escrow Analysis Date: 00/00/0000

Selection Options:

OK Cancel Help

# Running a Group Analysis

When running a group escrow analysis, you can limit the escrow analysis by Town, State, Servicer, County or Investor. Leave blank to run escrow analysis for all accounts or choose one category. If you select a category, an ellipsis button is presented; click this button to select one or multiple items within the category.



# Running the Escrow Analysis

## Run Parameters

1st Payment Effective Date: 09/2019

Override % Increase/Decrease: NO (N)

Override System Control: NO (N)

Percentage Increase Decrease

	Percentage Increase/Decrease
ESCROW 1 (1)	.00000
ESCROW 2 (2)	.00000
ESCROW 4 (4)	.00000

OK Cancel Help

Override System Control

Escrow Information

	ESCROW 1 (1)	ESCROW 2 (2)	ESCROW 4 (4)
Analyze Escrow:	YES (Y)	YES (Y)	YES (Y)
Additional Analysis:	SHT/SR CHG (Y)	SHT/SR CHG (Y)	SHT/SR CHG (Y)
Number of Months to Divide By:	12	12	12
Cushion Number of Months:	1	1	1
Required Balance Sched Pmt Exclusion Days:			
Amount to Trigger Review:			
Bill Status Code 3 Use Inflation Factor:	YES (Y)	YES (Y)	YES (Y)
Annualize Amount:	ANNUALIZE (1)		
Use Additional Tax Payment Fields:	YES (Y)		
Forced Place Escrow Type:			
Review Forced Place Escrow:			

Overage/Shortage Information

Number of Payments to Amortize Overage/Shortage: 9 Shortage Threshold Amount: .00

Shortages Amortized Prior to Next Disbursement: Shortage Threshold Amount: 1,000.00

Number of Payments to Amortize Shortage Threshold: 9 E/A Form Number: LETTER (3)

Round Total Payment up to Nearest 1.00: YES (Y)

Hold Codes


OK Cancel Help

These 2 Override Options allows the E/A to change how the calculations will work for each E/A whether it its being run for an individual loan or a group of loans.

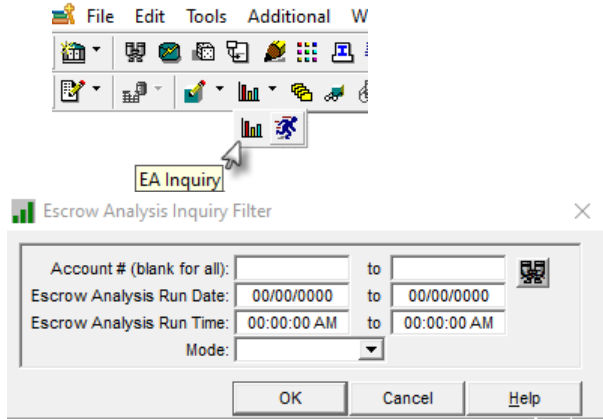
## SECTION 4

Reviewing the Analysis





# Checking the Results of the Escrow Analysis



When you double click on a loan  
the results of the E/A will be  
displayed.

The Escrow Analysis Inquiry window displays a table of loan results. An orange arrow points from the text 'When you double click on a loan' to the first row of the table, which is highlighted in blue.

Account #	Currency Type	Name	E/A Run Date	E/A Run Time	Mode	Analysis Type
10020001	US DOLLARS (USD)	Eastern Real	08/03/2019	12:20:23 PM	TEST	
750079850	US DOLLARS (USD)	Grand & Young	08/03/2019	11:54:58 AM	TEST	AGGREGATE (X)
10020013	US DOLLARS (USD)	Stone Radioco	05/11/2019	03:05:08 PM	ERROR	
10020025	US DOLLARS (USD)	Beck Calibrat	05/11/2019	03:05:08 PM	ERROR	
20020016	US DOLLARS (USD)	Strickland De	05/11/2019	03:05:08 PM	UPDATED	
20020029	US DOLLARS (USD)	Paul Unlimite	05/11/2019	03:05:08 PM	UPDATED	
30020003	US DOLLARS (USD)	Ellis Integra	05/11/2019	03:05:08 PM	UPDATED	
30020007	US DOLLARS (USD)	Astro Refinis	05/11/2019	03:05:08 PM	UPDATED	
30020028	US DOLLARS (USD)	Moses Logisti	05/11/2019	03:05:08 PM	UPDATED	
30020030	US DOLLARS (USD)	Farley Equipm	05/11/2019	03:05:08 PM	UPDATED	
40020002	US DOLLARS (USD)	Open Space Ho	05/11/2019	03:05:08 PM	UPDATED	
40020022	US DOLLARS (USD)	Newman & Tayl	05/11/2019	03:05:08 PM	UPDATED	
40020035	US DOLLARS (USD)	Apex Housing	05/11/2019	03:05:08 PM	UPDATED	
50054005	US DOLLARS (USD)	Hearthstone C	05/11/2019	03:05:08 PM	UPDATED	
50054022	US DOLLARS (USD)	Continental A	05/11/2019	03:05:08 PM	UPDATED	
50054023	US DOLLARS (USD)	Uniplex Group	05/11/2019	03:05:08 PM	ERROR	
50054024	US DOLLARS (USD)	Rally Group	05/11/2019	03:05:08 PM	ERROR	
80043212	US DOLLARS (USD)	Ballerton Pla	05/11/2019	03:05:08 PM	UPDATED	
750032915	US DOLLARS (USD)	Shadyside Rea	05/11/2019	03:05:08 PM	UPDATED	N/A (N)
750033146	US DOLLARS (USD)	Lakewood Asso	05/11/2019	03:05:08 PM	UPDATED	N/A (N)
750078520	US DOLLARS (USD)	Opal Manageme	05/11/2019	03:05:08 PM	ERROR	N/A (N)
750079780	US DOLLARS (USD)	Hillbrooke Pa	05/11/2019	03:05:08 PM	UPDATED	N/A (N)
750079805	US DOLLARS (USD)	Thorton Assoc	05/11/2019	03:05:08 PM	UPDATED	N/A (N)

# Results Of the Escrow Analysis

Depending on what entries were made into Aggregate Analysis field, the information displayed in the Left Side Panel may differ as will the Main Window area.

Escrow Analysis Inquiry => 010020001 [USD] - monthly eom no calendar

Mode: TEST RUN

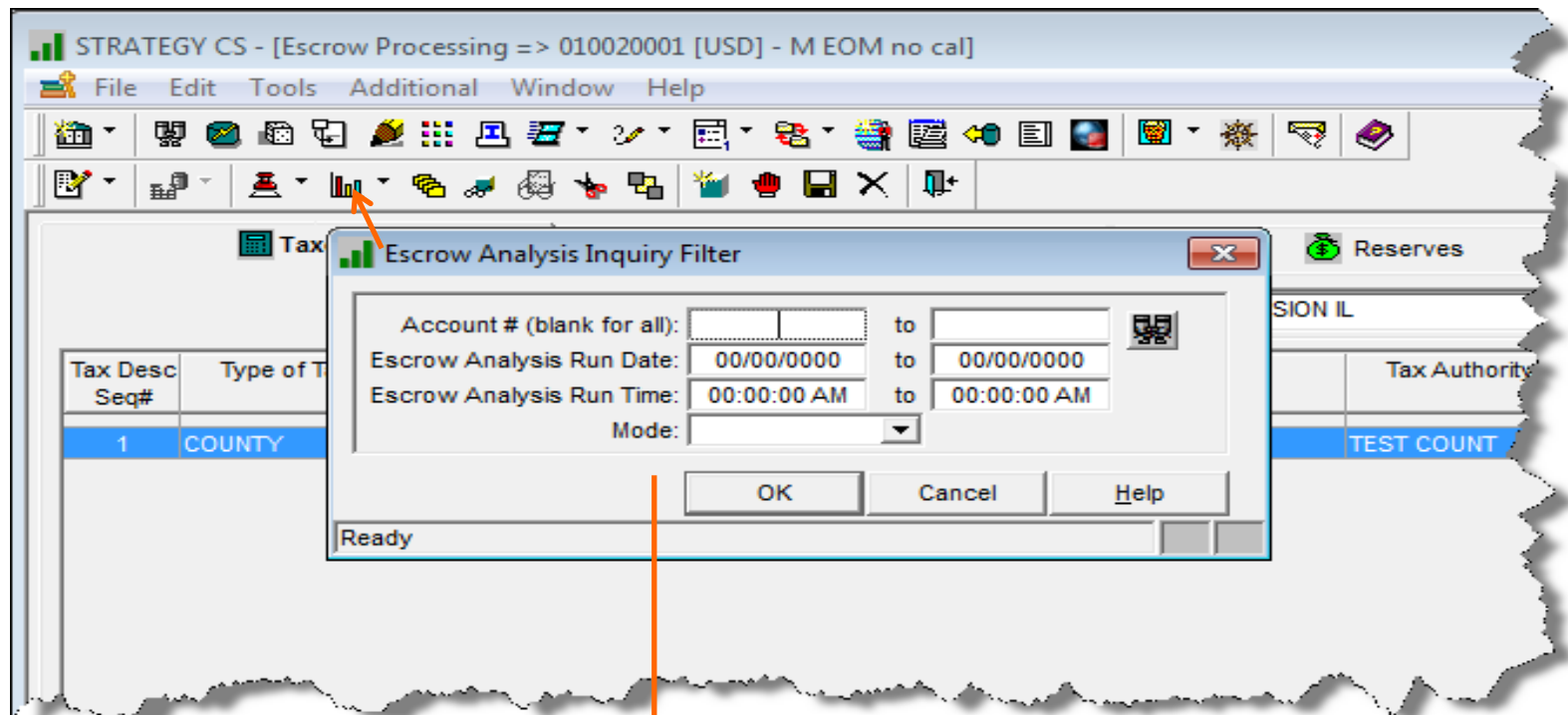
Escrow Analysis Run Date: 08/03/2019    Escrow Analysis Run Time: 12:20:23 PM  
Payment Due Date: 08/31/2019    Payment Effective Date: 10/31/2019    Amort Number of Months: 02  
Scheduled Escrow Analysis Date: 12/01/2018    Next Escrow Analysis Date: 12/01/2019

Escrow	Vendor	Annual Amount	Monthly Calculated Amount	Disbursement Date	Type Paid	Months Required	Required Escrow
1	CUYA	40,300.81	3,358.40	01/01/2020	2H	3	10,075.20
<b>Total</b>		<b>40,300.81</b>	<b>3,358.40</b>				<b>10,075.20</b>
2	001	15,950.00	1,329.17	09/01/2019		13	17,279.21
<b>Total</b>		<b>15,950.00</b>	<b>1,329.17</b>				<b>17,279.21</b>

Esc	Escrow Desc	Calculated Constant	(-) Monthly Short/Surplus	(+) Rounding	(=) New Monthly Constant
1	ESCROW 1 TAXES	3,358.40	-3,235.72	.61	6,594.73
2	ESCROW 2 INSURANCE	1,329.17	410.40	.00	918.77
<b>Total</b>					<b>7,513.50</b>

Rebate

OK Help



### Mode Options

TEST  
LIVE  
UPDATED  
ERROR  
REVIEW

# Escrow Analysis Modes

- Test – a successful E/A has been run. It will not go into production until the mode has been switched to Live
- Live – the new information will update the files on the effective date
- Updated – the files have been updated
- Review – System level parameter to enter an amount that will trigger a review
- Error – Something is not right with the E/A

# Checking on the results of the Escrow Analysis

**Print Notice Letter**

Account # (blank for all): 750079850

Escrow Analysis Run Date: 08/03/2019

Escrow Analysis Run Time: 11:54:58 AM

Run type: TEST

OK Cancel Help

**Print Report**

Account # (blank for all): 30020003 to 30020003

Escrow Analysis Run Date: 05/11/2019 to 05/11/2019

Escrow Analysis Run Time: 03:05:08 PM

Run type: UPDATED

Sort by: Account

OK Cancel Help

Right  
mouse click

Export...  
Print Notice/Letter  
Print Report  
Mode Change  
Loan Review Change  
Delete  
Notes  
Filter...  
Find...

**Escrow Analysis Inquiry**

Account # (blank for all): to

Escrow Analysis Run Date: 00/00/0000 to 00/00/0000

Escrow Analysis Run Time: 00:00:00 AM to 00:00:00 AM

Mode:

Account #	Currency Type	Name	E/A Run Date	E/A Run Time	Mode	Analysis Type
10020001	US DOLLARS (USD)	Eastern Real	08/03/2019	12:20:23 PM	TEST	
750079850	US DOLLARS (USD)	Grand & Young	08/03/2019	11:54:58 AM	TEST	AGGREGATE (X)
10020013	US DOLLARS (USD)	Stone Radioco	05/11/2019	03:05:08 PM	ERROR	
10020025	US DOLLARS (USD)	Beck Calibrat	05/11/2019	03:05:08 PM	ERROR	
20020016	US DOLLARS (USD)	Strickland De	05/11/2019	03:05:08 PM	UPDATED	
20020029	US DOLLARS (USD)	Paul Unlimite	05/11/2019	03:05:08 PM	UPDATED	
30020003	US DOLLARS (USD)	Ellis Integra	05/11/2019	03:05:08 PM	UPDATED	
30020007	US DOLLARS (USD)	Astro Refinis	05/11/2019	03:05:08 PM	UPDATED	
30020028	US DOLLARS (USD)	Moses Logisti	05/11/2019	03:05:08 PM	UPDATED	
30020030	US DOLLARS (USD)	Farley Equipm	05/11/2019	03:05:08 PM	UPDATED	
40020002	US DOLLARS (USD)	Open Space Ho	05/11/2019	03:05:08 PM	UPDATED	
40020022	US DOLLARS (USD)	Newman & Tayl	05/11/2019	03:05:08 PM	UPDATED	
40020035	US DOLLARS (USD)	Apex Housing	05/11/2019	03:05:08 PM	UPDATED	
50054005	US DOLLARS (USD)	Hearthstone C	05/11/2019	03:05:08 PM	UPDATED	
50054022	US DOLLARS (USD)	Continental A	05/11/2019	03:05:08 PM	UPDATED	
50054023	US DOLLARS (USD)	Uniplex Group	05/11/2019	03:05:08 PM	ERROR	
50054024	US DOLLARS (USD)	Rally Group	05/11/2019	03:05:08 PM	ERROR	
80043212	US DOLLARS (USD)	Ballerton Pla	05/11/2019	03:05:08 PM	UPDATED	
750032915	US DOLLARS (USD)	Shadyside Rea	05/11/2019	03:05:08 PM	UPDATED	N/A (N)
750033146	US DOLLARS (USD)	Lakewood Asso	05/11/2019	03:05:08 PM	UPDATED	N/A (N)
750078520	US DOLLARS (USD)	Opal Manageme	05/11/2019	03:05:08 PM	ERROR	N/A (N)
750079780	US DOLLARS (USD)	Hillbrooke Pa	05/11/2019	03:05:08 PM	UPDATED	N/A (N)
750079805	US DOLLARS (USD)	Thorton Assoc	05/11/2019	03:05:08 PM	UPDATED	N/A (N)

OK Cancel Help

# Escrow Analysis Listing Report

Display Spooled File

File . . . . . : ESCRWANLST

Control . . . . . : \_\_\_\_\_

Find . . . . . : \_\_\_\_\_

Page/Line 1/2

Columns 1 - 130

\*.....1.....+.....2.....+.....3.....+.....4.....+.....5.....+.....6.....+.....7.....+.....8.....+.....9.....+.....0.....+.....1.....+.....2.....+.....3

GX158

LOANS19F

LOANS19F

ESCROW ANALYSIS LISTING

SELECTION CRITERIA ACCOUNT FROM 010020009 ACCOUNT TO 010020009 DATE FROM 08/04/2019 DATE TO 08/04

-----

ACCOUNT NUMBER 010020009 Parks Electri E/A RUN 08/04/2019 04:06 PM PMT DUE DATE 08/30/2019 PMT EFF DATE 09/30/2019 CHANGE EF

SCHED E/A 08/01/2019 NEXT E/A 08/01/2020 AMORT # MONTHS 06 SERVICER RYLOWICZ S TOWN CLEVELAND STATE OHIO

-----

ESCROW

VENDOR

ANNUAL AMOUNT

MONTHLY CALC. AMOUNT

DISBURSEMENT DATE

ESCROW 1

CUYA CUYAHOGA C

40,200.00

3,350.00

01/01/2020

TOTAL

40,200.00

3,350.00

ESCROW 2

001 ABC INSURA

71,300.89

5,941.74

12/01/2019

TOTAL

71,300.89

5,941.74

ACCOUNT TOTAL

111,500.89

9,291.74

ESCROW

CALC CONSTANT -

MO. SHORT/SURP + ROUNDING =

NEW MONTHLY CONSTANT

OLD MONT

ESCROW 1

3,350.00

545.09-

.22

3,895.31

ESCROW 2

5,941.74

.00

.00

5,941.74

ESCROW 3

.00

ESCROW 4

.00

.00

.00

.00

ESCROW 5

.00

More...

F3=Exit F12=Cancel F19=Left F20=Right F24=More keys

# Display Spooled File

File . . . . . : ESCRWANLST  
Control . . . . . : \_\_\_\_\_  
Find . . . . . : \_\_\_\_\_  
\*...+...1...+...2...+...3...+...4...+...5...+...6...+...7...+...8...+...9...+...0...+...1...+...2...+...3

Page/Line 1/27  
Columns 1 - 130

-----  
9,837.05

BEGINNING WITH THE PAYMENT DUE 3/30/2020

THE MONTHLY PAYMENT WILL BE AS FOLLOWS:

Escrow	9,291.74
Principal & Interest	272,262.95
Rounding	.31
Total Payment	281,555.00

Bottom

F3=Exit F12=Cancel F19=Left F20=Right F24=More keys

# Regular

## Escrow Analysis

MFS Sold Loans  
8 Suburban Park Drive  
Billerica  
ABC Construction  
100 North Main Street  
Winfield, IL 60190

MA 01821

ACCOUNT NO. 01-0020001  
DATE OF ANALYSIS 5/02/2015  
SCHEDULE DATE 12/01/2014

text for the escrow analysis form

User Text Line 2  
User Text Line 3  
User Text Line 4  
User Text Line 5  
User Text Line 6  
User Text Line 7  
User Text Line 8

VENDOR	AMOUNT	MONTHLY CALC_AMOUNT	DISB DATE	MOS. REQD	REQUIRED ESCROW	EXPECTED BALANCE	BALANCE DIFFERENCE
F001 TEST COUNT	16,000.00	1,333.33	12/01/15	08	10,666.64		
TOTAL ESCROW 1	16,000.00	1,333.33			10,666.64	8,000.00	2,666.64-
001 ABC INSURA	9,600.00	800.00	12/01/14	20	16,000.00		
TOTAL ESCROW 2	9,600.00	800.00			16,000.00	16,000.00	.00
ACCOUNT TOTAL	25,600.00	2,133.33			26,666.64	24,000.00	2,666.64-

ESCROW	CALC CONSTANT	- MONTH SHORT/SURP = NEW MONTHLY CONSTANT	OLD MONTHLY CONSTANT	CHANGE AMOUNT
ESCROW 1	1,333.33	888.88-	2,222.21	1,022.21
ESCROW 2	800.00	.00	800.00	.00
ESCROW 3			.00	.00
ESCROW 4	.00	.00	.00	.00
ESCROW 5			.00	.00

3,022.21

BEGINNING WITH THE PAYMENT DUE 6/30/2015

YOUR MONTHLY PAYMENT WILL BE AS FOLLOWS:

Escrow	3,022.21
Principal & Interest	7,795.50
Rounding	.29
Total Payment	10,818.00

BEGINNING WITH THE PAYMENT DUE 09/30/2015

YOUR MONTHLY PAYMENT WILL BE AS FOLLOWS:

Escrow	2,133.33
Principal & Interest	7,795.50
Rounding	.17
Total Payment	9,929.00

ABC Construction

If you have any questions, please contact your Account Manager at 1-800-555-3333





**Thank you for attending our webinar. Don't forget to:**



**Share the webinar  
recording with  
your colleagues.**



**Attend our  
monthly webinars.**



**Contact McCracken if  
you'd like to learn more.**