



Mortgage, Ltd.

NOTICE TO BORROWER(S)

**MONTHLY ESCROW ACCOUNT DEPOSITS ARE SUBJECT
TO SIGNIFICANT INCREASES WHEN
FINANCING NEW CONSTRUCTION**

If construction of your home that secures this loan was not completed on January 1 of this year, your property taxes for this year may have been assessed based on the lower unimproved, or partially improved, market value of your property as of that date.

In that case, **YOUR PROPERTY TAXES FOR SUBSEQUENT YEARS**, when assessed based on the fully improved market value of your home, **WILL BE SIGNIFICANTLY GREATER** and **YOUR MONTHLY ESCROW DEPOSITS FOR PROPERTY TAXES** you are required to make to your escrow account **WILL SIGNIFICANTLY INCREASE**. Please ask your lender or loan servicer for an estimate of the amount by which your monthly escrow deposits may increase next year.

To avoid, or minimize, a deficiency occurring in your account for the following year, your lender or the loan servicer may elect to analyze your escrow account as of January 1 of the next year when your property is first assessed based on its fully improved market value. In that case, you will then be sent a "short year" annual escrow account statement showing the estimated property taxes based on the property's fully improved market value and indicating the new amount of monthly deposits you will be required to make to your escrow account over the ensuing 12-months (commencing with your mortgage payment due January 1) to reserve for taxes, insurance, and other charges on the property.

In addition to an increase in your regular monthly escrow deposits that will result from the new assessment on your property (based on its then fully improved market value), you also may be required to make additional deposits into your escrow account if this analysis indicates a shortage or deficiency in the amounts needed to disburse payments for property taxes, insurance, and other escrow items when due.

The amounts that your lender or the loan servicer may require that you deposit into your escrow account and the disposition of any surplus, shortage, or deficiency in the balances of your escrow account that may occur from time to time are subject to the controlling provisions of the Real Estate Settlement Procedures Act of 1974 and its implementing regulations (RESPA). Please refer to your mortgage, deed of trust, or other security instrument for the terms and conditions of your agreement with the lender regarding the maintenance of your escrow account.



The undersigned borrower(s) acknowledge(s) that I/we have read and understand this notice.

Borrower

Borrower

Borrower

Borrower