

Escrow Account FAQs

1. What is an escrow account?

Escrow analysis is a review of your real estate escrow account to ensure that it is sufficient to pay your tax and insurance bills in the upcoming year. Escrow analysis occurs once each year, in October.

2. Where do I locate my new monthly payment amount?

Your new monthly payment amount is noted in the enclosed Annual Escrow Account Disclosure Statement.

3. Why is my monthly payment changing?

If your escrow account did not cover all of your bill payments during the year, you will have a shortage. If the amount deposited in the escrow account exceeded the total disbursements, you will have a surplus.

4. Is there a way I can keep my monthly payments from changing next year?

While we do our best to keep your escrow payments as close to the total disbursements as possible, no lender can fully anticipate all of the potential changes that may occur which would affect total annual escrow disbursements.

There are several factors that can affect changes to monthly payments, including the principal and interest changes that occur with an ARM, as well as increases or decreases in your insurance, property tax, and other related bills.

One of the purposes of an annual Escrow Analysis is to review the bills paid from your escrow account in order to assess and adjust next year's account balance, and monthly payment, requirements accordingly.

5. Can I pay my shortage in full now, to keep my monthly payment from going up next year?

If you pay your shortage in full prior to November 30, 2017, your monthly payment will still increase, but not by as much as the total amount shown on your Annual Escrow Disclosure Statement now.

Because your increase is actually two increases combined—an increase to cover the current shortage and an increase to prevent a similar shortage from occurring in the coming year—if you pay your shortage in full, your new amount will reflect only the increase intended to prevent a future shortage.

That's why, if you pay that shortage in full, your new payment will be less than the amount shown on your Annual Escrow Disclosure Statement, but more than what your payment was previously.

6. How can I pay my shortage by December 31st?

To pay your shortage, you can do one of the following:

- Mail a check to SECU Operations, PO Box 2172, Glen Burnie, MD 21060
- Visit a SECU branch and specify that you want to pay an escrow shortage (go online to secumd.org/locations to find one near you)
- Call SECU Loan Servicing at 800-879-7328 to transfer the money from a SECU account to your escrow account with no service charge

7. Can I make additional payments to my escrow account during the year?

You can always make additional payments to escrow. However, keep in mind that by making those additional payments you are not necessarily going to lower your future monthly payments. That depends on many factors and is determined on a case-by-case basis.

When you make an additional escrow payment, be sure to specify that the additional payment is to be applied to your escrow account on the memo line of your check or on the section of your monthly bill that you return with your payment; otherwise it will be applied to principal.