

Bellco Escrow Analysis FAQs

1. Why do I have a shortage and/or deficiency in my escrow account?

Your escrow payment is based off of estimated tax and/or insurance expenses divided by twelve months. If these amounts increase, a shortage may occur. A shortage indicates there will not be enough funds to pay the projected tax and insurance payments when due for the upcoming year.

A deficiency in your escrow account indicates that the tax and insurance disbursements during the previous year exceeded the total amount collected for your account, leaving a negative balance.

1. How do I receive the refund from my escrow account?

If the surplus in your actual balance (after paying taxes and insurance) is \$50 or more, you will receive a refund check in a separate mailing.

If the excess in your account is under \$50, that amount will be reapplied to your new escrow balance.

2. If my mortgage payment has changed, do I need to notify my financial institution of the new amount?

For a payment being made from a different financial institution:

- If your mortgage payment is being made automatically from another financial institution through the Automated Clearing House (ACH), you will need to notify your other financial institution of the new payment amount to ensure your monthly payments continue without interruption.

For a payment being made at Bellco:

- If your mortgage payment is being made out of a Bellco account, you do not need to notify anyone. Bellco will automatically update your payment for you.
- If your payment is being drawn by Bellco from another financial institution and your monthly payment amount has changed, Bellco will automatically update your payment for you.
- To start a **new** automatic withdrawal from another financial institution, please complete the **Automatic Payment Authorization – Consumer Real Estate Loan**, which is available at www.Bellco.org in the **Forms** tab at the top of the homepage, at any Bellco branch, or the form can be mailed to you upon request.

3. May I pay my shortage and/or deficiency in my escrow account? If so, how do I go about making a payment?

Yes, you can choose to pay the shortage and/or deficiency in your account. Otherwise, the shortage and/or deficiency amount is divided over the next 12 months and will be added to your escrow payment. Please note that even if you pay your escrow shortage or deficiency, your escrow payment will not stay the same.

There are two ways to pay a shortage and/or deficiency in your escrow account:

- Call Bellco at 303-689-7800 or 1-800-BELLCO-1 (235-5261) and a representative can transfer the shortage and/or deficiency amount from a Bellco account for you.
- Mail a check to Bellco and include a note indicating you want your check applied to your escrow shortage and/or deficiency: Send to:

Bellco Processing Center
P.O. Box 2062
Glen Burnie, MD 21060

A payment to cover the shortage and/or deficiency in your account needs to be made prior to your November 1 payment.

4. If I paid the shortage and/or deficiency in my escrow account, why is my new escrow payment still increasing?

An increase in the escrow portion of your mortgage is due to rising taxes and/or insurance costs for your home and is independent of the prior year's payment.

Your new escrow payment is calculated from the anticipated tax and insurance disbursements that will be made from your escrow account in the coming year. This total is divided by 12 months to arrive at your new monthly escrow payment.