

**LAW OFFICES OF
JAMES MICHAEL KEMP, PLLC
ESCROW RESERVES SUMMARY**

MONTH OF FIRST MORTGAGE PAYMENT												
INSURANCE DUE	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
JAN	14	15	4 or 16	5	6	7	8	9	10	11	12	13
FEB	13	14	15	4 or 16	5	6	7	8	9	10	11	12
MARCH	12	13	14	15	4 or 16	5	6	7	8	9	10	11
APRIL	11	12	13	14	15	4 or 16	5	6	7	8	9	10
MAY	10	11	12	13	14	15	4 or 16	5	6	7	8	9
JUNE	9	10	11	12	13	14	15	4 or 16	5	6	7	8
JULY	8	9	10	11	12	13	14	15	4 or 16	5	6	7
AUG	7	8	9	10	11	12	13	14	15	4 or 16	5	6
SEPT	6	7	8	9	10	11	12	13	14	15	4 or 16	5
OCT	5	6	7	8	9	10	11	12	13	14	15	4 or 16
NOV	4 or 16	5	6	7	8	9	10	11	12	13	14	15
DEC	15	4 or 16	5	6	7	8	9	10	11	12	13	14

***Please Note:** If the borrower is paying a monthly insurance premium, the lender may require a full year payment (with 2 months cushion), or payment of the remainder of the years' premium with the intent of paying a full year at the upcoming due date. You should obtain this information from your borrower and selected lender in order to compute an accurate cushion and avoid a potential or unexpected deficit in available money. Furthermore, this assumes that no payment is made from the customer or their previous lender by the date of closing.

INDIANA PROPERTY TAXES (Due May & Nov)

MONTH OF FIRST MORTGAGE PAYMENT												
	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
TAXES DUE MAY/NOV	4/10	5/11	6/12	7/13	8/14	9/15	4/4	5/5	6/6	7/7	8/8	9/9

*** Please Note:** (1) The number listed in the chart above represents the number of months to cushion a borrower's escrow, first based upon the payment of 1/2 of the yearly bill (or one installment) in May and November (the most common Lender method), followed by a second number representing a lump sum payment in May for the entire bill (or lump sum payment for two installments) (rare). (2) This chart makes no distinction between a cushion placed into a lender's escrow account or an actual HUD-1 payment. For example, if the lender placed 2 months of cushion plus paid one installment, that is the same number as placing 8 months of cushion into escrow. (3) You must determine from the customer or your title commitment whether the previous lender paid both installments as opposed to a single installment. (4) The cushion stated when July and January are the "Month of First Mortgage Payment" assumes that the most recent tax installment is paid (by the customer or their previous lender) and therefore, not cushioned or paid in the closing. (5) This chart should be used for refinance transactions only, and does not apply to the prorations that may be given in a purchase setting.