



**2013 Annual Awards Entry Form**  
(Complete one for each entry.)

**Entry Name**   Welcome Home  

**HFA**   Idaho Housing and Finance Association  

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013.**

Use this header on the upper right corner of each page.

HFA: Idaho Housing and Finance Association  
Entry Name: Welcome Home

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input checked="" type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

Buying a new home is one of the most exciting things a person can do. It also can be one of the most intimidating, especially for first-time buyers. After signing piles of loan documents and moving in, the last thing any new homeowner wants to unpack is a thick, dull, and difficult-to-understand packet of information from a loan servicer. Too often, homeowners miss out on important information because it gets lost in an avalanche of paperwork. With that in mind, Idaho Housing and Finance Association reformatted, rewrote, and refocused our *Welcome Home* booklet for new homeowners. By improving our booklet we made it easier for our customers to start their homeownership journey on the right foot.

### **GROWING NEED**

With the number of loans we service growing at a record pace, we realized the time was right for more effective communication with new homeowners. The *Welcome Home* booklet is one of the first chances we have to connect with our customers and we distribute an average of about 500 of them a month. Because of that, it's a pivotal step in Idaho Housing's multifaceted customer service program, which has proven to be effective at giving homeowners the tools and knowledge they need to be successful.

### **HOMEOWNER-FIRST APPROACH**

The new *Welcome Home* booklet includes the obvious cosmetic changes — an updated cover, a sophisticated color scheme that matches our other publications, fresh logos, and a modern layout. But we took the update a step further and used it as a chance to improve the information as well as the decoration. Every decision was made through the eyes of new homeowners. What information would they need first? What questions would they have? What tools could we give them to make the home mortgage process simple and user-friendly? With those goals in mind, we made some significant improvements:

- We refocused the first page of the booklet to emphasize the services available to our new customers as well as the multiple ways to make their payments.
- We rewrote the existing material in a clear, conversational tone to make it more inviting to readers. We also broke up the information into smaller, easier-to-understand sections.
- We expanded the popular question-and-answer section — which makes it more intuitive for readers to quickly find the information they need — and moved it closer to the front of the booklet.
- We added a page that explains our Homebuyer Tax Credit program to ensure our customers take advantage of this important program, which can potentially save our homeowners \$2,000 or 25% of the total mortgage interest tax credits each year they own their home.
- We simplified the section that walks homeowners through their annual statements by using graphic examples of actual statements.
- We beefed up the section on budgeting, putting an emphasis on the housing counseling and resources that are available to help homeowners.

### **EFFECTIVE USE OF RESOURCES**

The writing was done in-house by existing staff. Using a two-color scheme inside the booklet helped reduce printing costs, as did using photos and graphics that were produced in-house or that we already owned. In the past, staff time had been used to add extras to the booklet, such as a small magnet, forms, and a business-reply envelope. We outsourced that process, which ultimately made it more efficient and less expensive.



**CONGRATULATIONS.**  
You're a homeowner.



**Idaho Housing  
and Finance**  
Association

[www.idahohousing.com](http://www.idahohousing.com)



# Dear Homeowner,

## Congratulations on becoming a homeowner!

This informational packet is designed to answer common questions about your home loan and to help clarify the home mortgage process.

### CUSTOMER SERVICE

Idaho Housing will service your loan. Located in Boise, Idaho, our quality customer service representatives are available to provide you with answers to questions regarding your loan from 8 a.m. to 5 p.m. MT Monday through Friday. For information on your loan or any of the materials you receive from Idaho Housing, call:

- 208.331.4888 or toll free at 800.526.7145

Please have your loan number on hand when calling.

### MAKE A PAYMENT

Your payment is due on the first day of each month. Late charges are applied to payments received after the 16<sup>th</sup> of the month. Make your payments online, by automatic bank draft, mail, or delivery. Upon closing your loan, you will receive a payment coupon book and a one-year supply of envelopes to use when mailing your monthly mortgage payments. These items will be replenished for you annually.

We encourage you to consider paying online or by automatic bank draft as both methods will save you time, as well as money by eliminating the need for postage.

#### Online

If you make your payment online and on time, you'll be entered into a quarterly drawing to receive a \$100 gift card to Home Depot.

To make your payment online:

1. Visit [www.idahohousing.com](http://www.idahohousing.com) and click on the "Make Payment or View Account" button to access the secure online payment site.
2. Click the link to "Make a Payment or Manage Your Account" to access the secure online payment site.
3. At the login screen, click "Apply for Access." On your first visit you will be asked to enter your loan number, Social Security number, and ZIP code. You will be prompted to create a user ID and password for future access.
4. Now click "Make a Payment." You'll need to supply checking account information to pay your mortgage. After this transaction is completed, a screen will appear to show it was successful.

#### Automatic Bank Draft

Automatic bank draft ensures your payment is never late, eliminating any chance of a late fee. If you'd like to make your payments by automatic bank draft, please fill out and return the form at the back of this packet and use the envelope provided. You will no longer automatically receive payment coupons.

#### Mail

Include your payment coupon and mail your payment to:  
Idaho Housing and Finance Association  
P.O. Box 7541  
Boise, ID 83707

#### Delivery

You can drop off your payment at Idaho Housing's office, 565 W. Myrtle St. in Boise. Payment must be made by check or money order. Idaho Housing cannot accept cash payments. Please be sure to include your payment coupon. If you come by after business hours there is a drop box outside the main entrance to the building.

### FREE HOUSING COUNSELING SERVICE

If you can't pay your mortgage payment, don't panic. Contact Idaho Housing immediately and explain the situation. Don't be afraid to call. No situation is hopeless. We have free loan counselors who are trained and experienced in dealing with every situation. Your counselor will partner with you to evaluate your current and future finances and come up with a plan of action. They can help with budgeting and/or refer you to community resources. Their goal is to help you keep your home. If your situation means that you are unable to keep your home, the counselor will help you through that decision as well. To reach a certified housing counselor, call:

- 208.331.4888 or toll free at 877.888.3135

### COMPLIMENTARY HOMESENSE NEWSLETTER

For the latest copy of our informational newsletter, *HomeSense*, go to our newsroom at [www.idahohousing.com](http://www.idahohousing.com). It contains news about your mortgage loan, helpful home and landscaping tips, and home repair and improvement advice. This newsletter is mailed in the spring, fall, and winter.



# Household Budgeting

If you don't already have a budget, it's never too late to start one. This is the best way to ensure that you are always in a position to pay essential bills. Here are some budget basics:

## **If you can't pay all your bills, don't ignore them.**

Contact your creditors as soon as you know that you will not have funds to pay everything on time. Figure out how much you will have to pay and then prioritize those funds. Everyone's situation is different, but the usual list would be food, utilities, house payment, and car payment — in that order. Contact creditors and let them know what to expect. The worst thing you can do is ignore them. Most creditors will work with you if they know that they eventually will be paid in full. Do not fall into the payday or title loan trap. This is a vicious cycle that can make your situation much worse in the long run. It is better to let a creditor know you will pay late than to pay on time with a payday loan and then be faced with trying to pay off exorbitant interest and fees on these types of cash advances.

## **Budget for regular maintenance and unexpected repairs.**

Some experts suggest budgeting 1 percent of the purchase price of the house for annual maintenance and repairs.

## **Adhere to a regular savings plan.**

Many financial advisors suggest saving 5 percent of your take-home pay. You have to make this a priority if it is to work. You can't just save whatever you have left at the end of a pay period. That's a sure way to end up with no savings at all.

## **Always keep an emergency fund on hand.**

You need to have a "nest egg" so you can replace the hot-water heater when it suddenly springs a leak. If you don't already have such a fund, start one. It's only a question of time before you'll need it. This is an "emergency" fund and should not be used for annual expenses like Christmas, birthdays, etc. You need to include those in your annual budget.

## **Know what bills are due and when.**

Compare the timing of your set expenses (such as your mortgage, utilities, car payments, etc.) with your pay schedule. If you get paid weekly, you need a different strategy than if you get paid monthly. In either case, a checking account will provide an easy

way to pay your bills, and a way to help you keep track of what you spend.

## **Ask electric and gas companies about their "level pay" plan.**

Based on the history of gas or electric use in the home, the company arrives at an estimated annual cost then divides it by 12 months. You are billed for the same amount every month, though the utility company still keeps track of how much you use. Once a year, the company adjusts your average monthly payment up or down according to your actual use, then you pay that amount for the next year. This helps with budgeting since you know in advance how much that bill will be.

## **Know how you spend your money.**

Get in the habit of saving receipts. Jot down what they're for if they're not itemized. This is an easy way to keep track of your cash expenditures. Then categorize all of your expenditures for an entire month. If money is tight, look for ways you can economize. You will have to do your own analysis, but most of us have items that we spend more for than we really need to.

## **Plan for large, periodic expenses.**

Expenses such as property taxes, homeowner's insurance (if they're not paid by the lender), car insurance, and water bills can be put on a "budget calendar" that shows the approximate amount of the expenses and when they come due.

## **Plan ahead for major purchases rather than making impulsive decisions.**

Whenever you purchase something on credit, look carefully at the financing terms, including the APR. Often the retailers that offer the easiest terms (no payments due for three months financing) actually charge the highest interest rates. Shop around. Try to save for things you need rather than charging them. You'll pay less and you may decide that you'd rather use the money for something else.

# Homebuyer Tax Credit

The Homebuyer Tax Credit is available only on Idaho Housing loan products, and can save you up to \$2,000 or 25% of the total mortgage interest paid in income tax credits each year as long as you own and live in your home. If you applied for the Homebuyer Tax Credit program with Idaho Housing when you purchased your home, you will receive a Mortgage Credit Certificate (MCC) at the end of the first year of your mortgage. It will come with your mortgage interest statement from Idaho Housing. Please be sure to keep the MCC in a safe place for the life of your loan. To take advantage of the program, simply utilize the MCC and the mortgage interest statement you receive each year from Idaho Housing to complete IRS form 8396. If you need assistance to complete the IRS form, please contact a tax advisor or tax preparer. The IRS has additional information available at [www.irs.gov/form8396](http://www.irs.gov/form8396).

If you did not apply for the Homebuyer Tax Credit program when you purchased your home, you can still apply. There is a one-time minimal program fee. Please contact your loan officer who assisted with your home purchase to assist with this, or contact Idaho Housing directly at 208.331.4888.

**8396** **Mortgage Interest Credit** OMB No. 1545-0074  
Form 2011  
Attachment Sequence No. 138

Department of the Treasury  
Internal Revenue Service (IRS)

Name(s) shown on your tax return

Enter the address of your main home to which the qualified mortgage certificate relates if it is different from the address shown on your tax return.

Name of Issuer of Mortgage Credit Certificate Mortgage Credit Certificate Number Issue Date

**Before you begin Part I**, figure the amounts of any of the following credits you are claiming: Credit for the elderly or the disabled, alternative motor vehicle credit, qualified plug-in electric vehicle credit, and qualified plug-in electric drive motor vehicle credit.

**Part I Current Year Mortgage Interest Credit**

1 Interest paid on the certified indebtedness amount. If someone else (other than your spouse if filing jointly) also held an interest in the home, enter only your share of the interest paid . . . . . 1

2 Enter the certificate credit rate shown on your mortgage credit certificate. Do not enter the interest rate on your home mortgage . . . . . 2 %

3 If line 2 is 20% or less, multiply line 1 by line 2. If line 2 is more than 20%, or you refinanced your mortgage and received a reissued certificate, see the instructions for the amount to enter . . . . . 3

**You must reduce your deduction for home mortgage interest on Schedule A (Form 1040) by the amount on line 3.**

4 Enter any 2008 credit carryforward from line 16 of your 2010 Form 8396 . . . . . 4

5 Enter any 2009 credit carryforward from line 14 of your 2010 Form 8396 . . . . . 5

6 Enter any 2010 credit carryforward from line 17 of your 2010 Form 8396 . . . . . 6

7 Add lines 3 through 6 . . . . . 7

8 Limitation based on tax liability. Enter the amount from the Credit Limit Worksheet (see instructions) . . . . . 8

9 **Current year mortgage interest credit.** Enter the smaller of line 7 or line 8. Also include this amount in the total on Form 1040, line 53, or Form 1040NR, line 50. Check box e on that line and enter "8396" in the space next to that box . . . . . 9

**Part II Mortgage Interest Credit Carryforward to 2012. (Complete only if line 9 is less than line 7.)**

10 Add lines 3 and 4 . . . . . 10

11 Enter the amount from line 7 . . . . . 11

12 Enter the larger of line 9 or line 10 . . . . . 12

13 Subtract line 12 from line 11 . . . . . 13

14 **2010 credit carryforward to 2012.** Enter the smaller of line 6 or line 13 . . . . . 14

15 Subtract line 14 from line 13 . . . . . 15

16 **2009 credit carryforward to 2012.** Enter the smaller of line 5 or line 15 . . . . . 16

17 **2011 credit carryforward to 2012.** Subtract line 9 from line 3. If zero or less, enter -0- . . . . . 17

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 83960X Form 8396 (2011)





# Questions And Answers

## **Is my personal information kept private?**

We respect the privacy and security of your personal information. Just like you, we want all of your personal information kept that way — personal and private. Our staff adheres to the detailed privacy policy that is enclosed in this packet for your review.

## **How do I make my payment?**

You may make your payments online at [www.idahohousing.com](http://www.idahohousing.com), by automatic bank draft, by mail, or delivery. For more information please see page 1 of this packet.

## **When is my payment considered late?**

Your payment is due on the first day of the month. Late charges are applied to payments received after the 16<sup>th</sup> of the month. Postmarks are not considered when determining late payments.

## **What do I do if my payment is going to be late?**

Call us as soon as you know your payment will be late. Through our free counseling service, a counselor will help you with a plan to get back on track.

## **What do I do if I cannot make my monthly payment?**

Contact us immediately, no matter the situation. Idaho Housing has loan counselors who are trained and experienced in dealing with every situation.

## **Can I defer a payment to the end of the loan?**

Our mortgage loans do not allow deferment of payments. If you are having problems making your payment, please contact us immediately. We may have other options that can help.

## **Can I use a debit or credit card to make my payment?**

At this time we do not have a system that can process debit or credit card payments. However, making a payment online is a debit to your checking account.

## **How do I add, remove, or change a name on my loan?**

We cannot add people to a loan but we can update the name of an original borrower. In some cases, names can be removed from a loan. Call customer service for more information.

## **What do I do if I got married and my last name has changed?**

Send a photocopy of the marriage certificate, your loan number, and written request to update the name on the loan.

## **Can I remove my ex-spouse off my loan?**

To remove a spouse from an Idaho Housing loan, the borrower who will be keeping the home must qualify for the home on his or her own. However, not all loans are eligible for Release of Liability. To find out more about this process, call customer service.

## **What is an “owner occupancy requirement”?**

One of the requirements of some loans is that the borrower must occupy the home for the life of the loan. If you have to move, for example because of a job transfer, contact customer service with your new address, phone numbers, and your plans for the home. We may approve a waiver of this requirement.

## **What is an escrow payment?**

Your payment has two parts. The first part is principal and interest, which repays your home loan. The second part of your payment is the escrow portion. This portion pays for your property taxes, homeowners insurance, and mortgage insurance, and changes annually depending on your tax or insurance premium changes. Contact the county for information regarding the tax amount. Talk to your insurance agent for information on your insurance premium.

## **Why does my payment change when I have a fixed rate?**

On a fixed rate loan the principal and interest portion of your payment does not change. However, the escrow portion of your payment may change. The escrow payment is affected by increases or decreases in the tax and insurance bills we pay from your escrow account.

## **I just received a property tax bill, do I have to pay it?**

Each year you should receive a bill (or a copy of the bill) from your county treasurer. Idaho Housing will receive the same information from the county and will pay your taxes from your escrow account. We normally do not need a copy of the bill. However, if you receive a bill marked “Occupancy Tax” or “Delinquent Tax Notice,” please call customer service.

### **I received a bill from my homeowners insurance company, do I have to pay it?**

Idaho Housing pays your homeowners insurance from your escrow account. We should receive a bill directly from your insurance company. However, if you receive a bill from your company, contact your insurance agent and have the bill sent to:

**Idaho Housing and Finance Association  
PO Box 7899  
Boise, ID 83707-1899**

Or your agent can fax a bill to 208.331.4800. Please let your agent know your loan number so your bill can be processed promptly.

### **What is mortgage insurance?**

Do I have to pay mortgage insurance? Mortgage insurance, either from a private company or a government agency, makes available loans with little or no down payment. Mortgage insurance is generally required when the loan-to-value of the home is greater than 80 percent. Although paid for by the borrower, the policy insures the lender against default on the loan. If you have questions regarding your mortgage insurance, contact customer service.

### **How do I apply for a Homeowner's Exemption?**

Idaho provides a partial property tax exemption to qualified homeowners for their primary dwelling and up to one acre of land. You may have received a copy of this form when you purchased your home. New homeowners must file for this exemption with their local county assessor's office, which should be listed in the government pages in your local phone directory.

### **Does Idaho Housing have a refinance program?**

Yes. Contact customer service for more information.

### **What is recapture tax?**

Recapture tax is a federal tax provision intended to prevent abuses of low-interest mortgage loan programs. The recapture tax provisions are invoked only on a First Loan product when the house is sold and only if all three of the following conditions are met:

- There is a net profit on the sale of the home.
- A rapid and significant increase in household income.
- The home is sold within nine years of the closing date.

If you feel that you meet these conditions, Idaho Housing has recapture tax reimbursement that should eliminate any worries.

### **What is recapture tax reimbursement?**

If the IRS imposes the recapture tax on you when you sell your home and no new wage earner was included in the home for two years after the time the loan was made, Idaho Housing will fully reimburse you for it. Recapture tax is calculated and assessed when you file your income taxes for the year in which the property was sold. If you are subject to recapture you should set aside funds from the sale's proceeds to pay this at tax time. Call customer service to find out more.

### **How do I contact customer service?**

If you have any additional questions or need loan counseling, please call toll free 800.526.7145 or 208.331.4888.





# Annual Statements

You will receive two statements from Idaho Housing each year. One is a year-end statement that lists the amounts applied as interest, taxes, insurance, and principal paid on your mortgage balance during the prior year. This statement will be mailed in January and should be used by you for tax purposes.

The second statement is an escrow account disclosure statement that details monthly payments into and out of your escrow account. All borrowers pay principal and interest on their mortgage loan plus an escrow\* amount that Idaho Housing uses on your behalf to pay property taxes and insurance on your home.

Although Idaho Housing pays these items from your escrow account, you may receive tax or insurance bills

anyway. In this case, please contact Idaho Housing to ensure that we have a copy for payment purposes. You can reduce your real estate taxes by filing for your homeowner property tax exemption with your county assessor if you have not already done so.

Below is a sample escrow disclosure statement like the one you will receive each year. The first section is an account history. The second and third sections of the statement explain projected escrow activity—the payment of taxes and insurance—for the coming year. These projections may increase or decrease your monthly mortgage payment.

## Escrow Account History

The statement begins with the current breakdown of the monthly mortgage payment including P & I\* (principal and interest), escrow payments for taxes and insurance, and any discretionary items. You'll see a monthly itemization of the escrow account starting with the month in the first column on the left **(A)**. The second column **(B)** shows payments into the escrow account. The third column **(C)** shows Idaho Housing's payments out of the account for Federal Housing Administration (FHA)\* or private mortgage insurance, hazard insurance, and property taxes. The column on the right **(D)** shows the escrow account balance by month.

## Real Estate Settlement Practices Act (RESPA)

RESPA\* is a federal guideline to assist mortgage servicing organizations in the collection and distribution of escrow funds. RESPA regulates the maximum amount of escrow money that mortgage servicers may collect and hold in an escrow account. Mortgage servicers may collect additional escrow payments (up to two months worth) from borrowers to prevent escrow balances from dropping below a certain amount. Idaho Housing does not collect or hold additional escrow funds.

Unlike other mortgage servicers, Idaho Housing allows your escrow account balance to reach zero each year, leaving no cushion amount. We have included a section about RESPA regulations (as required by law) on each statement.

HOMEOWNER FIRST/LAST NAME  
STREET ADDRESS  
CITY, STATE ZIP

RE: LOAN # 0000123456  
1234 MAIN STREET  
CITY, STATE ZIP

This is a statement of your actual escrow account transactions since your last annual analysis statement or initial disclosure. This statement reflects the anticipated payments and disbursements that were projected and your actual payments and disbursements for the last cycle. Please keep this statement to compare to your next annual analysis statement.

Effective Date:

Previous Payment: P&I . . . . . 529.73  
Escrow . . . . . 122.27  
Discretionary Items: .00  
Total . . . . . 652.00

Month	Pmt to	Esc act	Pmt from	Esc act	Escrow Balance
Starting	Proj	Actual	Proj	Actual	Proj
<b>(A)</b>	<b>(B)</b>		<b>(C)</b>	<b>(D)</b>	
May	122.27*		PAYMENT		369.28
Apr			FHA INS		49.99
Apr	122.27*		PAYMENT		568.56
May			FHA INS		533.57
May	122.27*		PAYMENT		655.84
Jun			FHA INS		622.85
Jun	122.27*		PAYMENT		745.12
Jul			FHA INS		712.13
Jul	122.27*		PAYMENT		834.40
Aug			FHA INS		801.41
Sep	122.27*		PAYMENT		923.68
Sep			FHA INS		890.69
Sep	122.27*		PAYMENT		1012.96
Oct			FHA INS		979.97
Oct	122.27*		PAYMENT		1102.24
Nov			FHA INS		1069.25
Nov	122.27*		PAYMENT		1191.52
Dec			FHA INS		1158.53
Dec	122.27*		PAYMENT		1280.80
Dec			214.00* HAZARD INS		1066.80
Dec			32.99* FHA INS		1033.81
Dec			840.87* PROPERTY T		192.94
Dec			PAYMENT		315.21
Jan			32.99E FHA INS		282.22
Total	\$ .00 \$1344.97		\$ .00 \$1417.76		

## Projection for Next Cycle

Each year, we must re-evaluate your monthly mortgage payment to reflect any changes in property taxes or insurance. Although the principal and interest portion of your monthly mortgage payment may not change, your total monthly mortgage payment may increase or decrease because of these changes in property taxes and/or insurance on your home.

In the sample statement below, you'll see a monthly breakdown of the projected escrow account starting with the month in the column on the left **(A)**. The second column **(B)** shows the projected payments into the escrow account. The third column **(C)** shows Idaho Housing's projected payments out of the account for mortgage insurance, hazard insurance, and property taxes. The fifth column **(D)** shows the projected balance of the account, including any surplus or shortage amounts. The last column on the right **(E)** shows RESPA's required escrow amount by month.

LOAN # 0000123456

Under Federal Law the lowest monthly balance in your escrow account should not exceed \$206.74 or 1/6th of the total annual projected disbursement from your escrow account, unless your mortgage documents or state law specifies a lower amount. When your escrow balance reaches its lowest point during the account cycle, that balance is targeted to be your cushion amount. Under your Mortgage Contract or State or Federal Law, your targeted low point in your escrow account is \$ .00 and your actual low point was \$282.22; the amounts are indicated with an arrow (<).

By comparing the projected escrow payments with the actual escrow payments you can determine where a difference may have occurred. An asterisk (\*) indicates a difference in either the amount or date. The estimated payments to escrow and payments from escrow are indicated with an (E).

PROPERTY TAX	1,636.50			
FHA INS	136.84			
HAZARD INS	214.00			
Total	\$1,636.34			
New Escrow Deposit 1,636.34 / 12 = 136.36				

The escrow deposit is 1/12th of your total annual projected escrow disbursements. Your escrow balance may contain a cushion. A cushion is an amount of money held in your escrow account to prevent your escrow balance from being overdrawn when increases in the disbursements occur. Under Federal Law (RESPA) the lowest monthly balance in your escrow account should not exceed 1/6th of the total annual anticipated disbursements from your escrow account, unless your mortgage documents or state law specifies a lower amount. The cushion amount in your escrow account is \$ .00. When your escrow balance reaches its lowest point during the account cycle, that balance is targeted to be your cushion amount and is marked with an arrow (<).

(A)	(B)	(C)	(D)	(E)
Month	Payments to Escrow Acct	Payments from Escrow Acct	Description	Curr Bal
Starting Balance				427.45
Feb.	136.36		PAYMENT	563.81
Feb.		32.99	FHA INS	530.82
Mar.	136.36	32.63	PAYMENT	667.18
Mar.		32.63	FHA INS	634.55
Apr.	136.36		PAYMENT	770.91
Apr.		32.63	FHA INS	738.28
May	136.36	32.63	PAYMENT	874.64
May		32.63	FHA INS	842.01
Jun.	136.36		PAYMENT	978.37
Jun.		840.87	ASSESSMENT	137.50
Jun.		32.63	FHA INS	104.87
Jul.	136.36		PAYMENT	241.23
Jul.		32.63	FHA INS	208.60
Aug.	136.36		PAYMENT	344.96
Aug.		32.63	FHA INS	312.33
Sep.	136.36		PAYMENT	448.69
Sep.		32.63	FHA INS	416.06
Oct.	136.36		PAYMENT	552.42

EXAMPLE OF PROJECTION FOR NEXT CYCLE

## New Monthly Payment Breakdown

This section details your new monthly payment, including principal and interest, your new escrow account payment, discretionary items, and shortage or deficiency spreads (any additional monies collected monthly to make up escrow account shortages). Also included in your new mortgage payment is a payment rounding adjustment (payment rnd adj)\* rounding your payment to the next dollar to make accounting easier.

If there is a surplus of more than \$50 in your escrow account (more money than is needed to pay insurance and property taxes), Idaho Housing will immediately refund the balance. If there is a shortage, Idaho Housing will collect an additional amount each month — spread out over 12 months — to make up the difference.

Please review your statements closely because your mortgage payment may be affected. The statement reflects any changes in your monthly mortgage payment, including surplus refunds or shortages. If you have questions about your mortgage loan, contact an Idaho Housing customer service representative at 208.331.4888 or toll free at 800.526.7145.

\*See definition of terms on page 8.

LOAN # 000123456

(A)	(B)	(C)	(D)	(E)
Month	Payments to Escrow Acct	Payments from Escrow Acct	Description	Curr Bal
Oct.		32.63	FHA INS	374.56
Nov.	136.36		PAYMENT	510.92
Nov.		32.63	FHA INS	478.29
Dec.	136.36		PAYMENT	614.65
Dec.		513.25	PROPERTY TAX	101.40
Dec.		32.63	FHA INS	68.77
Dec.		214.00	HAZARD INS	145.23- .00 <
Jan.	136.36		PAYMENT	8.87-
Jan.		32.63	FHA INS	41.50-
Total	\$1,636.32	\$1,960.04		103.73

According to this analysis your escrow balance should be \$427.45, but your projected escrow balance is \$282.22. Therefore you have a shortage of \$145.23. This shortage may be collected from you over a 12 month period unless the shortage is less than 1 month's deposit, in which case we have the additional option of requesting payment within 30 days. We have decided to collect it over 12 month(s).

You have a deficiency of \$ .00. This deficiency may be collected from you over a period of 2 to 12 months unless the deficiency is less than 1 month's deposit, in which case we have the additional option of requesting payment within 1 month. We have decided to collect it over 12 month(s).

Below is your effective

Estimated Low Point:	145.23	New Def . . . . .	529.73
RESPA Low Point . . .	206.74	New Esc Pmt . . . . .	136.36
Doc/St Low Pmt . . .	.00	Discretionary Items Pmt . . .	.00
Total Shortage . . .	145.23	Shortage Spread . . . . .	12.10
Spread Months . . .	12	Deficiency Spread . . . . .	.00
Deficiency . . . . .	.00	Payment Rnd Adj . . . . .	.81
Def Spread Months . .	00	Total Payments . . . . .	679.00

Please review this statement closely - your mortgage payment may be affected. This statement reflects any changes in your mortgage payment, any surplus refunds, or any shortage or deficiency that you must pay. It also shows the anticipated escrow activity for the next 12 months. If your loan is an adjustable rate mortgage, the principal interest portion of your payment may change within this cycle in accordance with your loan documents. If you have any questions, please call our customer service department.

# Terms And Policies

## TERMS

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**Deficiency** - negative escrow balance.

**Discretionary Items** - additional items that may be available through Idaho Housing that you choose to have paid through your escrow account, such as accidental death insurance.

**Escrow Account** - we set up this account on your behalf to pay property taxes, FHA or private mortgage insurance, and hazard/flood insurance throughout the year (flood insurance is not required on all homes). The money used to pay taxes and insurance comes from a portion of your monthly mortgage payment.

**FHA Insurance** - insurance paid to the Federal Housing Administration (FHA) to secure mortgage loans.

**Hazard Insurance** - homeowners insurance necessary to cover fire or other damages to a borrower's property as described in the insurance policy.

**Occupancy Tax Assessment** - a county tax on some newly constructed homes in addition to property taxes.

**P & I (Principal and Interest)** - your monthly principal amount plus interest payment.

**Payment Rnd Adj (Payment Rounding Adjustment)** - all payments are rounded to the next dollar to make accounting easier. The rounded portion is applied to the escrow account.

**Private Mortgage Insurance** - insurance paid to a private mortgage insurance company insuring mortgage loans in case of default.

**RESPA (Real Estate Settlement Procedures Act)** - a federal guideline to assist mortgage lending and servicing organizations in the collection and distribution of escrow funds. RESPA regulates the maximum amount of escrow money that mortgage servicers may collect and hold in an escrow account.

**Shortage** - an escrow account shortage occurs when an insufficient amount is collected to pay taxes and insurance on a borrower's home. Idaho Housing collects shortages over a minimum 12 month period.

**Surplus** - an escrow account surplus occurs when more funds are collected for taxes and insurance than are needed to pay on your behalf. We refund any surplus amounts in excess of \$50 to you within two weeks of the completed Annual Escrow Disclosure Statement.

## RESPA POLICY

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The following is set forth in the Real Estate Settlement Procedures Act (RESPA) (12 USC 2605) Section 6. For more information, please refer to this act. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your older servicer before its due date may not be treated by the new servicer as late, and a late fee may not be imposed on you. Section 6 of RESPA (12 USC 2605) gives you certain consumer rights. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgement within 20 business days of receipt of your request.

A "qualified written request" is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, that includes your name and account number and your reasons for the request. Not later than 60 business days after receiving your request, your servicer must make any appropriate corrections to your account and must provide you with written clarification regarding any dispute. During the 60-day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such a period or qualified written request.

A business day is any day, excluding legal public holidays (state or federal), Saturday and Sunday. Section 6 of RESPA also provides for damages and costs for individuals in circumstances in which servicers are shown to have violated the requirements of that section. You should seek legal advice if you believe your rights have been violated.



## PRIVACY POLICY

This notice is in accordance with federal law enacted in June 2000. There is no action required on your part. The notice is for informational purposes only.

### Your Privacy

We respect the privacy and security of your personal information. Just like you, we want all of your personal information kept that way — personal and private. This notice describes the privacy policy and practices followed by Idaho Housing.

### Safeguarding Customer Information

We will only grant access to nonpublic personal information, as defined by federal law, about you to employees who need it to perform their job responsibilities or as otherwise required by law or legal process. Furthermore, nonpublic personal information is provided only to Idaho Housing — contracted service providers as necessary to administer or enforce your transaction. Even if you are no longer our customer we will continue to treat your nonpublic personal information in the same way we would if you were still a customer. In addition, we maintain physical, electronic, and procedural safeguards to store and secure information about you from unauthorized access, alteration, and destruction.

Any agreements entered into by Idaho Housing with nonaffiliated third parties to provide services for us or to make products or services available to you contain specific conditions requiring those companies to safeguard the confidentiality of this information and to not use it for any other purpose.

### Collection of Information

We obtain only the information needed to process your loan application and service your home loan.

The following lists the usual kinds of nonpublic financial information we obtain and from what sources that information is obtained:

- From forms you fill out (such as a loan application), via the Internet, by telephone or otherwise. Examples of this type of information include your name, address, Social Security number, credit history, and other financial information.
- From transactions with us. For example, payment history, account balance, and other transaction records.
- From credit reporting agencies, such as information relating to your credit worthiness and credit history.
- From third parties to verify information you have provided to us.

### Sharing of Information

Idaho Housing does not disclose, or reserve the right to disclose, nonpublic financial information about its current or previous customers except as permitted by law or with customer permission

We do not disclose any nonpublic personal information for our current or previous customers with nonaffiliated third-party marketers offering their products and services. While we may offer financial products and services of our third-party providers, Idaho Housing controls all information used to make such offers.

Thank you for allowing us to service your home loan. We value your business and are committed to protecting your privacy.





## Automatic Bank Draft





## Automatic Bank Draft Authorization

Make your home loan payments automatically each month to save time and money while you enjoy convenience, safety, and reliability.

Take a moment to authorize Idaho Housing and Finance Association (Idaho Housing) to automatically draft your payment for you each month. Mail the completed and signed agreement (along with a voided check, not a deposit slip) to Idaho Housing's customer service department at:

**Idaho Housing and Finance Association**  
**Customer Service Department**  
**PO Box 7899**  
**Boise ID 83707-1899**

Loan number: \_\_\_\_\_

Borrower's name: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Home phone: \_\_\_\_\_ Work phone: \_\_\_\_\_

Please draft my payment of \$ \_\_\_\_\_ on the ☐ 7<sup>th</sup> ☐ 16<sup>th</sup> of each month.

Name of financial institution: \_\_\_\_\_

Routing number: \_\_\_\_\_

Checking/savings account number: \_\_\_\_\_

If you are authorizing Idaho Housing to draft your monthly payment from your savings or checking account, please keep the following in mind:

1. Processing the completed drafting authorization may take up to 60 days. We will notify you when the drafting will commence. Until such notice, you are responsible to remit any payments that come due.
2. If we receive the completed form and voided check by the 10<sup>th</sup> of the month, we can usually begin the automatic withdrawal the following month.
3. If you are requesting a draft from your savings account, please obtain the correct routing and account numbers from your financial institution.

I authorize Idaho Housing and Finance Association to charge the account indicated for the amount of my mortgage loan payment. The authority is in effect until I notify Idaho Housing in writing otherwise, at least 15 days prior to loan payoff. Any changes in account information or cancellation of the plan also requires written authorization from the account holder.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_





Idaho Housing and Finance Association is self-supporting and generates its revenue through fees for work performed. Idaho Housing is not a state agency under Idaho law and doesn't use state funds or state employees to support its operations. Idaho Housing began servicing its own low-interest mortgage loans in 1990.

For complete program descriptions visit [www.idahohousing.com](http://www.idahohousing.com) or call our toll-free number at **866.432.4066**.

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**Homeownership Lending  
Customer Service**

P.O. Box 7899 • (565 W. Myrtle)  
Boise, ID 83707-1899

208.331.4888 • 800.526.7145

TDD Hearing Impaired:  
800.545.1833, Ext. 400

\* Programs are subject to change at any time. Funds are limited, and certain restrictions apply.



**EQUAL  
OPPORTUNITY  
EMPLOYER**



**Idaho Housing  
and Finance**  
Association

[www.idahohousing.com](http://www.idahohousing.com)