



October 24, 2022

Dear Valued Mortgage Customer:

Thank you for choosing Morton Community Bank for your home mortgage needs. We are writing to remind you that, in November of each year, we perform an analysis of your escrow account. This analysis ensures your monthly escrow payments accurately reflect the funds needed to pay the taxes and insurance associated with your property. The analysis is completed in November so that we can provide you with timely notification of any payment changes. Any payment changes will be effective **beginning with your January 2023 payment**.

When you receive your escrow analysis statement in November, it will indicate the actual escrow payments made from your account in 2022, as well as project your 2023 escrow payment requirements.

If you have an overage of less than \$50 or shortage of less than one month's escrow payment amount, you will not need to do anything. The overage/shortage will be carried over to 2023 and spread throughout the year.

If you have a shortage greater than one month's escrow payment amount, you will be provided with two options to pay the shortage.

Option #1: This **'carry over'** option is the default and does not require you to do anything. We will automatically adjust your monthly payment amount to collect the shortage spread over the following year.

Option #2: You may choose to make a 'lump sum catch-up' payment. This **'lump sum catch-up'** payment is the amount you need to pay in a lump sum prior to the end of 2022. If you select the **'lump sum catch-up'** option, your payments for 2023 will be less than they would have been if you had selected the **'carry over'** option. The **'lump sum catch-up'** payment must be received by the bank no later than December 15, 2022, to be effective. **'Lump sum catch-up'** payments received after December 15, 2022 will be returned to you.

If you have an overage of greater than \$50, you will be mailed a check for the overage amount.

We realize this information can be confusing, so we invite anyone who has questions relative to their analysis or future payments to call us at (309)284-1382.

Sincerely,

Tim Dwyer
Senior Vice President
Chief Retail Lending Officer
NMLS # 677630