



MORTGAGE SOUP

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Pam Bassel, Standing Chapter 13 trustee

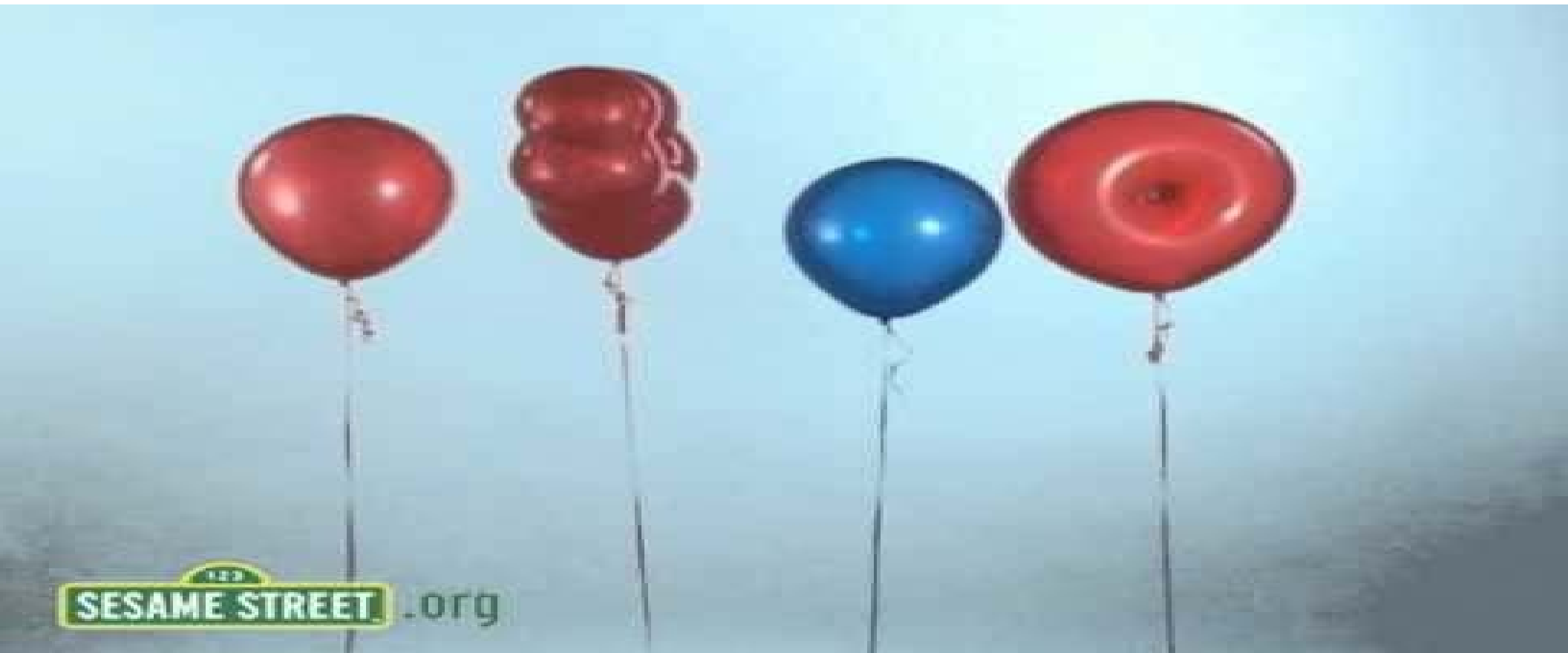
Lisa L. Lambert, Assistant U.S. Trustee *

*The views expressed do not necessarily reflect those of the U.S. Department of Justice

Press Your Luck™ CBS

HORIZONTAL AND VERTICAL CONSISTENCY

“ONE OF THESE THINGS IS NOT LIKE THE OTHERS”



THE VERTICAL PRONG

Consistent Information within One Filing

PROOF OF CLAIM ≠ ATTACHMENTS

Text of Proof of Claim

17 ANNUAL ESCROW ACCOUNT Page
DISCLOSURE STATEMENT
Analysis Date: /2017
Loan Number: 0956
Property Address: [REDACTED]

	CURRENT PAYMENT	NEW PAYMENT EFFECTIVE 05/01/2017
Principal & Interest	\$548.71	\$548.71

Part 4: Monthly Mortgage Payment

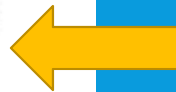
Principal & interest:

Annual Interest Rate (when case was filed) 4.25%

- Fixed
 Variable

Note attached to Proof of Claim

(C) Amount
Each monthly payment of principal and interest will be in the amount of U.S. \$608.16.



(U.S. \$112,000), plus interest, to the order of Lender. Interest will be charged on unpaid principal, from the date of disbursement of the loan proceeds by Lender, at the rate of FIVE percent (5.000%) per year until the full amount of principal has been paid.

PAYMENT CHANGE ≠ ATTACHMENT


Payment Change

Current escrow payment:	\$388.14	New escrow payment:	\$407.35
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Escrow Statement Attachment

New escrow and mortgage payment amount		
New payment effective date	Current payment (\$)	Option 1
May 01, 2016 ¹		
Principal and/or interest	547.27	547.27
Escrow payment	355.89	396.24



THE HORIZONTAL PRONG

Consistent information across filings

PAST FILING ≠ CURRENT FILING

DATE OF NPC	OLD PAYMENT AMOUNT	NEW PAYMENT AMOUNT
07/29/2014	\$2,867.65	\$2,876.48
07/23/2015	\$2,965.90	\$2,962.27

UPSIDE DOWN AND SIDEWAYS: VERTICAL AND HORIZONTAL

Date of POC	Date of PCN	Current Total Mortgage Payment	New Total Mortgage Payment	Current Escrow Payment	New Escrow Payment
06/29/2016		\$1,737.19	\$1,806.77	\$825.82	\$895.40
	03/28/2017		\$1,846.76*	\$895.40*	\$935.39*
		\$1,790.97**	\$1,846.76**	\$879.60**	\$935.39**
	08/24/2017		\$1,607.73*	\$656.37*	\$696.36*
		\$1,790.97**	\$1,846.76**	\$879.60**	\$935.39**

* These amounts are reported on the face of the PCN.

** These amounts are reported in the escrow statement attached to the PCN.

ESCROW

PROOF OF CLAIM ESCROW ANALYSIS

Computed within 30 days of petition date

Attach postpetition escrow analysis to claim
(May provide a payment change notice)

Include 12 months of prepetition escrow data showing disbursements during year

Identify escrow surplus, shortage, or deficiency

PROJECTED ESCROW SHORTAGE

- Escrow shortage occurs when there is not enough money in the escrow account to pay the anticipated disbursements such as property taxes and insurance for the upcoming year
 - E.g. Property value increases, so taxes are higher
- Proof of claim shortage often differs from shortage calculation on escrow analysis
 - Because of case law interpretation

ESCROW SHORTAGE FORMULAS VARY

- Projected low point – deficiency + cushion
- Shortage listed on escrow analysis + cushion
- Deficiency + required balance from projected account activity
- Required beginning balance from projected account activity - actual escrow account balance on petition date

ESCROW DEFICIENCY

- Negative balance in the escrow account on the petition date.
- Debtor missed significant number of pre-petition payments so escrow is not funded; or
- Mortgage servicer advanced funds to cover disbursements causing a negative balance

ESCROW CUSHION

- Rough verification
 - Two times the monthly escrow amount

ESCROW SURPLUS

- Escrow account is over-funded

- Property values decrease, so property taxes decrease
- Insurance costs drop

 \$50 – Option to apply to reduce escrow upcoming year

 \$50 -- Refund to debtor/standing trustee