

Frequently asked questions about Escrow Accounts:

What is an Escrow Account?

It is a special account that protects both you and People's United Bank by assuring that the following types of payments are made on time:

- Property Taxes
- Flood Insurance
- Homeowners Insurance
- PMI Insurance

What is an Escrow Analysis?

An escrow analysis is completed to ensure that the monthly escrow payment will be sufficient to pay the amounts anticipated for escrow items. People's United Bank completes an escrow analysis at least once a year. The escrow analysis identifies any overages or shortages that exist at the time the analysis was performed and adjusts the total monthly payment accordingly.

How is my escrow payment calculated? Can People's United Bank make any adjustments?

The escrow payment is calculated as outlined by RESPA. However, if the annual amount has changed for any escrowed item reflected on the statement, the bank may perform a new escrow analysis to correct your monthly escrow payment. If these costs have changed, please submit documentation with the correct information to:

People's United Bank
PO Box 820, Burlington, VT 05402-0820
Attn: Loan Servicing Escrow Department

What is a Required Low Balance?

Based on federal law, lenders may require a cushion of up to two months of the total estimated annual escrow disbursements. The cushion funds would help to cover any increases in escrow disbursements.

What is a cushion?

The cushion is an amount of money that People's United Bank requires a customer to pay into an escrow account to cover unanticipated disbursements or disbursements made before the customer's payments are available in the escrow account. The cushion selected by the bank for your account is labeled Required Low Balance on page 1 of your Statement. Currently, the maximum cushion allotment as dictated by RESPA or state law is equivalent to 1/12 or 1/6 of the total annual disbursements from the escrow account.

What is a surplus?

If the final Escrow Balance-Actual (shown on the Account History, page 3) exceeds the Target Starting Balance (shown on the Projections for Coming Year, page 1) your escrow account has more funds than will be needed to pay your escrowed items over the coming year. You will be reimbursed the entire amount if the surplus is \$50 or more. A surplus under \$50 will be spread over the next 12 months and your monthly escrow payment will be reduced accordingly.

What is a shortage?

If the final Escrow Balance-Actual (shown on the Account History, page 3) is less than the Target Starting Balance (shown on the Projections for Coming Year, page 1) the difference between these two figures is considered a shortage. The bank allows you to spread the repayment of any shortage over the next 12 payments, or you may pay the shortage amount immediately, if you choose.

What is a deficiency?

If the final Escrow Balance-Actual is negative, it is called a deficiency. This amount is also spread over 12 months. Both a shortage and a deficiency will increase your total monthly payment unless you choose to pay these amounts immediately.

If I choose to pay my entire shortage in full, where do I send it?

You can send a check (clearly labeled as a shortage payment) with your account number and address to:

People's United Bank
PO Box 820, Burlington, VT 05402-0820
Attn: Loan Servicing Escrow Department

If my account has an escrow shortage, what are my options?

We automatically spread the shortage and/or deficiency over 12 months, but you have the option to pay the shortage in full before the first new payment due date shown on your escrow analysis.

What if I have questions about my monthly mortgage payment?

Please contact People's United Bank Loan Servicing Center for assistance at 800-525-1006:

Monday-Friday 8:00am-7:00pm
Saturday 9:00am-1:00pm

PEOPLE'S UNITED LOAN SERVICING CENTER

For questions relating to your loan(s), please call:

800.525.1006

Monday - Friday 8:00am - 7:00pm

Saturday 9:00am - 1:00pm

Escrow payment address:

People's United Bank
PO Box 820
Burlington, VT 05402-0820
Attn: Loan Servicing Escrow Department

A Guide To Your

Annual Escrow Account Statement

People's United Bank

People's United Bank

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People's United Bank Annual Escrow Account Disclosure Statement-Account History Page 1 of 4

Account: 00000000000
 Note: 00001
 Current Date: 08/08/11
 Next Payment Due: 09/01/11

ESC#	Escrow Item	Annual Amt	Monthly Amt	Next Due	Frequency
(01)	TAX COLLECTOR	12,538.86	1,044.90	01/01/12	Irregular
Total Projected		\$12,538.86	\$1,044.90		

Required Low Balance: \$2,089.81

The following is an estimate of activity in your escrow account during the coming year based on payments anticipated to be made from your account.

Month/Year	Payments To Escrow Account	Payments From Escrow Account	Escrow #	Escrow Account Balance
Target Starting Balance as of 09/11				4,179.67
10/11	1,044.90	0.00		5,224.57
11/11	1,044.90	0.00		6,269.47
12/11	1,044.90	0.00		7,314.37
01/12	1,044.90	6,269.43	01	2,089.84
02/12	1,044.90	0.00		3,134.74
03/12	1,044.90	0.00		4,179.64
04/12	1,044.90	0.00		5,224.54
05/12	1,044.90	0.00		6,269.44
06/12	1,044.90	0.00		7,314.34
07/12	1,044.90	6,269.43	01	2,089.81
08/12	1,044.90	0.00		3,134.71
09/12	1,044.90	0.00		4,179.61
TOTALS	12,538.80	12,538.86		

Starting Balance should be: \$4,179.67 To meet required low balance
 Escrow balance: \$4,118.66 Projected thru end of 09/11
 Shortage: \$61.01
 The shortage in your account will be spread over the next 12 payments.
 Starting 10/01/11 shortage adjustment (Shortage / 12): \$5.08

Impact of Analysis on Monthly Payment

Escrow Payment	1,044.90
Shortage Adjustment	+ 5.08
Rounding Adjustment	- 0.47
Revised Escrow Payment	1,049.51
Principal & Interest	+ 1,899.49
***Your New Payment Commencing 10/01/11	\$2,949.00

The terms of your loan may result in changes to principal and interest payments during the year. If shortage of \$61.01 is paid prior to 09/15/11, your new payment will be \$2,944.00.

A Helpful Guide To Understanding Your Annual Escrow Account Statement

People's United Bank Annual Escrow Account Disclosure Statement-Account History Page 3 of 4

Account: 00000000000
 Note: 00001
 Current Date: 08/08/11
 Next Payment Due: 09/01/11

The following is a statement of activity in your escrow account from 09/10 through 09/11 as well as projected activity as disclosed to you in 09/10.

Month/Year	Payments To Escrow Projected	Actual	Payments From Escrow Projected	Esc#	Actual	Escrow Balance Projected	Actual
Starting Balance as of 08/10						N/A	2,875.12
09/10	N/A	3.74	C	N/A	0.00	4,134.32	4,017.08
10/10	1,033.58	1,138.22	*	0.00	0.00	5,167.90	5,160.82
11/10	1,033.58	6.78	C	0.00	0.00	6,201.48	6,305.82
12/10	1,033.58	2.84	C	0.00	01	6,201.48	7,235.06
01/11	1,033.58	1,138.22	*	6,201.48	01	0.00	1,245.40
02/11	1,033.58	3.11	C	0.00	0.00	2,067.16	2,385.28
03/11	1,033.58	1,138.22	*	0.00	0.00	3,100.74	3,526.61
04/11	1,033.58	4.75	C	0.00	0.00	4,134.32	4,669.58
05/11	1,033.58	1,138.22	*	0.00	0.00	5,167.90	5,813.92
06/11	1,033.58	6.12	C	0.00	0.00	6,201.48	6,960.08
07/11	1,033.58	1,138.22	*	0.00	0.00	7,235.06	8,107.42
08/11	1,033.58	7.94	C	0.00	0.00	8,107.42	8,107.42
09/11	1,033.58	1,138.22	*	6,201.48	01	6,269.43	2,067.16
		9.12	C	0.00	0.00	3,100.74	2,980.44
		4.23	C	6,201.48	01	6,269.43	2,980.44
		1,138.22	*	0.00	0.00	3,100.74	2,980.44
		0.00	*	0.00	0.00	4,134.32	2,980.44
		1,138.22	P	0.00	0.00	4,134.32	4,118.66
TOTALS	12,402.96	13,714.45	P	12,402.96	12,470.91		

Anticipated payments from escrow from prior year: \$12,402.96
 Your lowest monthly balance should not have exceeded: \$2,067.16
 The lowest balance was: \$1,245.40
 An asterisk (*) indicates a difference from a previous estimate either in the date or the amount.
 P indicates projected activity to or from your escrow account. C indicates escrow interest credited. For a further explanation, please call us.

Payment Information From Past Year

Escrow Payment	1,138.22
Principal & Interest	+ 1,899.49
Total Payment Amount	\$3,037.71

- General Escrow Information:** If you know that an escrow item should or should not be listed in this section please contact us at 800-525-1006.
- Projections for the Coming Year:** This section is the estimate of activity projected for your escrow account for the coming year.
- Starting Balance:** The amount required in your escrow account, on the effective date of analysis, to bring your account to the "Required Low Balance" during the twelve-month period. The "Required Low Balance" is \$0 plus the cushion amount permitted by the Real Estate Settlement Procedures Act, or applicable state law.
- Escrow Balance:** The actual escrow balance at the time of the Escrow Analysis, plus all of the payments to, or disbursements from the escrow account that are scheduled up to the analysis effective date.
- Surplus/Shortage/Deficiency:** The difference between your Starting Balance and Escrow Balance is the Surplus/Shortage/Deficiency. If your escrow account has an escrow shortage or deficiency, People's United Bank allows you to spread the repayment of any shortage/deficiency over the next 12 payments, or pay the shortage/deficiency amount immediately, by mailing to: People's United Bank, PO Box 820, Burlington, VT 05402-0820 Attn: Loan Servicing Escrow Department. Once received, your monthly payment will be reduced and will be reflected on your next billing statement. However, if you would also like an updated escrow analysis statement reflecting the new payment amount, please let us know.
- New Monthly Payment Breakdown.**
- Comparing Prior Projections to the Actual Escrow Payments:** The Prior Year Projections, reflects the amounts that were expected to be added and withdrawn from your escrow account. * If your loan was recently transferred to People's United Bank, your prior projection information may not be available.
- Prior years total payment to include escrow, principal and interest.**