WORKSHEET

Escrow Deficiency Repayment Rules Worksheet

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TEST DEFICIENCY

Use this when the escrow balance went below zero and the statement labels the amount a deficiency. Compare the amount with one monthly escrow payment and document the repayment treatment offered.

WHEN TO USE	FEDERAL / PRIMARY REFERENCE
Use this when the escrow balance went below zero and the statement labels the amount a deficiency. Compare the amount with one monthly escrow payment and document the repayment treatment offered.	12 CFR § 1024.17(f) · 12 CFR § 1024.17(b)

Federal baseline to check

☐ A deficiency is a negative escrow account balance confirmed by an escrow analysis.

☐ If the deficiency is less than one monthly escrow payment and the borrower is current, the servicer may leave it, require repayment within 30 days, or require two or more equal monthly payments.

☐ If the deficiency is at least one monthly escrow payment and the borrower is current, the servicer may leave it or require repayment in two or more equal monthly payments; if the borrower is not current, the mortgage documents can govern recovery.

BORROWER AND LOAN

Borrower name ______________________________	Property address ______________________________
Loan/account number ______________________________	Servicer name ______________________________

Negative balance

Lowest / negative escrow balance: $__________ on __________

Notes: ____

One-month threshold

Monthly escrow payment used for threshold: $__________

Notes: ____

Repayment treatment

Deficiency: $__________ Repayment treatment / number of installments: ____________________

Notes: ____

Current-status check

Current within 30 days of due date at analysis? Yes / No / Unsure

Notes: ____

Ledger evidence

Advance/disbursement creating deficiency: $_________ on _________ Analysis date: _________

Notes: ____

Attachment checklist

☐ Escrow analysis showing deficiency

☐ Escrow transaction history

☐ Current mortgage statement

☐ Copy of this completed template retained for your records

☐ Mailing / delivery confirmation retained if sent formally

Use notes

☐ Use the negative balance shown by the ledger and the deficiency amount shown by the analysis; they can differ if later deposits or adjustments occurred before analysis.

☐ Record whether the borrower was current under the rule's 30-day test at analysis because that changes the federal repayment framework.

☐ Do not apply the 12-month shortage rule to a deficiency; the rule's minimum installment structure is different.

☐ Keep a complete copy of the completed template and supporting records; send copies rather than irreplaceable originals when copies are sufficient.

PRIMARY SOURCES TO CHECK

12 CFR § 1024.17(f) • 12 CFR § 1024.17(b)

Official links: https://www.consumerfinance.gov/rules-policy/regulations/1024/17/