DECISION WORKSHEET

Escrow Shortage: Pay Now vs Monthly Worksheet

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COMPARE OPTIONS

Compare the cash and monthly-payment effects of paying an escrow shortage in full versus spreading the shortage across the servicer's repayment period.

WHEN TO USE	FEDERAL / PRIMARY REFERENCE
Compare the cash and monthly-payment effects of paying an escrow shortage in full versus spreading the shortage across the servicer's repayment period.	12 CFR § 1024.17(f)

Federal baseline to check

☐ Regulation X distinguishes shortages below one monthly escrow payment from shortages at or above one monthly escrow payment.

☐ For a shortage at or above one monthly escrow payment, the federal rule does not create a right to a 30-day lump-sum demand; if repayment is required under the rule, it is spread over at least 12 months.

☐ A servicer may voluntarily offer additional payment options, so compare only options actually shown or confirmed for your account.

BORROWER AND LOAN

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

Inputs

Official shortage: $__________ New recurring escrow: $__________/mo

Notes: ____

Option A - spread shortage

Spread option: ______ months Shortage installment: $__________/mo Total payment: $__________

Notes: ____

Option B - pay shortage now

Lump-sum option actually offered? Yes / No Amount: $__________ Resulting total payment: $__________

Notes: ____

What remains after shortage catch-up

Recurring escrow after catch-up: $__________/mo Expected total payment after catch-up: $__________

Notes: ____

Attachment checklist

☐ Escrow analysis

☐ Current monthly mortgage statement

☐ Copy of this completed template retained for your records

☐ Mailing / delivery confirmation retained if sent formally

Use notes

☐ Calculate the new recurring escrow first, then add any shortage installment. This prevents a lump-sum shortage payment from being mistaken for a permanent payment reduction.

☐ Use the servicer's official shortage figure from an escrow analysis, not a rough tax/insurance difference, when comparing payment options.

☐ If paying a lump sum, obtain posting confirmation and verify the next statement shows how the payment was applied to escrow rather than principal or unapplied funds.

☐ 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)

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