ESCROW OR IMPOUND ACCOUNTS

An escrow account, also called an "impound" account in some states, is an account that is used to pay taxes and insurance on your behalf and may be required when you take out a mortgage loan.

Do I Have to Have an Escrow Account?

Escrow accounts may be required for various reasons, such as:

- The investor that owns your note requires you to have an escrow account
- Your loan was made as part of a government program for which escrow accounts are required
- Federal law requires an escrow account for your loan

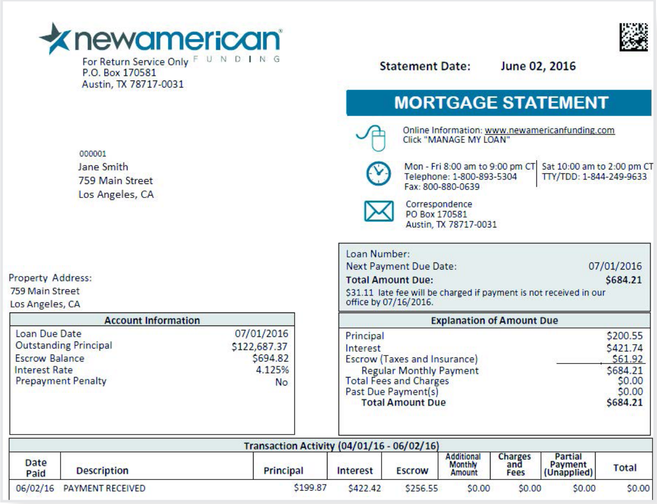
Because an escrow account may be required for your type of loan, you may not be able to cancel it!

How Does an Escrow Account Work?

You will make an initial deposit into your escrow account when you take out your loan. Then you will make payments into your account as part of the **Regular Monthly Payment** that is shown on your monthly billing statement. The funds in your account will then be used to pay property taxes, hazard insurance premiums, and flood insurance premiums (if required) on your behalf for the home that secures your loan.

You will also receive detailed information about your escrow account in an **Escrow Account Disclosure Statement** that will be sent to you at least annually.

To find out more about your escrow account, or determine if you can cancel it, please contact us at CustomerCare@nafinc.com **or** (800) 893-5304**.**



For Return Service Only
P.O. Box 170581
Austin, TX 78717-0031

Statement Date: June 02, 2016

MORTGAGE STATEMENT

Online Information: www.newamericanfunding.com
Click "MANAGE MY LOAN"

Mon - Fri 8:00 am to 9:00 pm CT | Sat 10:00 am to 2:00 pm CT
Telephone: 1-800-893-5304 | TTY/TDD: 1-844-249-9633
Fax: 800-880-0639

Correspondence
PO Box 170581
Austin, TX 78717-0031

000001
Jane Smith
759 Main Street
Los Angeles, CA

Loan Number:
Next Payment Due Date: 07/01/2016
Total Amount Due: $684.21
$31.11 late fee will be charged if payment is not received in our office by 07/16/2016.

Property Address:
759 Main Street
Los Angeles, CA

Account Information	
Loan Due Date	07/01/2016
Outstanding Principal	$122,687.37
Escrow Balance	$694.82
Interest Rate	4.125%
Prepayment Penalty	No

Explanation of Amount Due	
Principal	$200.55
Interest	$421.74
Escrow (Taxes and Insurance)	$61.92
Regular Monthly Payment	$684.21
Total Fees and Charges	$0.00
Past Due Payment(s)	$0.00
Total Amount Due	**$684.21**

Transaction Activity (04/01/16 - 06/02/16)

Date Paid	Description	Principal	Interest	Escrow	Additional Monthly Amount	Charges and Fees	Partial Payment (Unapplied)	Total
06/02/16	PAYMENT RECEIVED	$199.87	$422.42	$256.55	$0.00	$0.00	$0.00	$0.00

WHAT IS
PRIVATE MORTGAGE INSURANCE?

An escrow account, also called an "impound" account in some states, is an account that is used to pay taxes and insurance on your behalf and may be required when you take out a mortgage loan.

The Requirements to Cancel PMI Are:

Your Loan Must Be Current

- Your loan may not be delinquent and cannot have payments that were 30 days or more past due in the last 12 months or 60 days or more past due in the last 24 months.

You Must Meet the Loan-to-Value Requirements

- If you don't live in the home as a primary or second home, then your loan must be repaid down to 70%or less (for Fannie Mae loans) or 65% or less (for Freddie Mac loans) of the original value of your home. If you do not meet this requirement, you may still be able to cancel your PMI based on the current value of your home. Contact us for more information.
- If the home is your primary residence or a second home, then:
  - You can cancel the PMI if the loan has been repaid down to 80% or less of the **purchase price**[1] of the home.
  - If it hasn't, then you can still cancel the PMI using the **current value** of the home in the following circumstances:
    - Your loan has been repaid down to 80% or less of the current value of the home if you took out the loan at least 5 years ago.
    - Your loan has been repaid down to 75% or less of the current value of the home if you took out the loan at least 2 years ago.
    - Your loan has been repaid down to 75% or less (for Fannie Mae loans) or 80% or less (for Freddie Mac loans) of the current value of the home if you took out the loan less than 2 years ago and you have made substantial improvements to the home. If you wish to cancel PMI in this situation, you will need to provide documentation supporting the substantial improvements that you made to the home.

New American Funding is here to help! If you believe that you satisfy the requirements and would like to cancel PMI on your loan, or if you have any questions at all, please contact us at CustomerCare@nafinc.com or (800) 893-5304.

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1. If the home appraised for less than the purchase price when the loan was made, this determination will be based on the lower appraised value. If you have refinanced your home purchase loan, this determination will be based on the appraised value that was used to approve your refinancing.