

IMPOUND STATEMENT

Impounds are monthly payments made by a borrower to a lender in addition to payments of principal and interest to accumulate a fund for payment of taxes, insurance and other expenses relating to the secured property.

It is the policy of the federal savings and Loan Institutions to require impound (escrow) accounts for payment of property taxes and private mortgage insurance on all fixed rate and convertible arm loans in excess of 80% loan to value. Hazard Insurance is not a requirement. In addition, according to federal regulations, private mortgage insurance is required on all loans in excess of 90% loan to value, covering that portion which exceeds 80%. Therefore, any loan made in excess of 90% loan to value, must be impounded for property taxes and private mortgage insurance.

As the federal savings and Loan Institutions are not obligated to pay interest on impound (escrow) accounts, which was effective July 5, 1984. Therefore, they will not pay interest on said accounts.

Please indicate your choice below by checking the appropriate box.

\_\_\_\_\_ I request that an Impound Account be established.

\_\_\_\_\_ I do not wish to establish an Impound account.

INTERNAL REVENUE SERVICE REGULATION 605011

The Internal Revenue Service Regulations 6050 II of the Tax reform Act of 1984 requires mortgage borrowers to provide Social Security or federal Taxpayer I.D. Numbers for the purpose of reporting interest. Please complete in the spaces below, your social security or federal tax identification number used to report your income tax information to the Internal Revenue Service each year. "Payors are subject to a \$50 penalty for failure to furnish Tax Identification numbers upon request from the interest recipient."

\_\_\_\_\_  
BORROWERS NAME

\_\_\_\_\_  
SOCIAL SECURITY/TAX I.D. NUMBER

\_\_\_\_\_  
BORROWER SIGNATURE

\_\_\_\_\_  
BORROWERS NAME

\_\_\_\_\_  
SOCIAL SECURITY/TAX I.D. NUMBER

\_\_\_\_\_  
BORROWER SIGNATURE

\_\_\_\_\_  
DATE