

OREGON ESCROW ACCOUNT OPTION NOTICE

Borrower Name(s):

Lender:

Date:

Property Address:

This notice is provided in accordance with OR. Rev. Stat. Section 86.255.

_____ **Escrow Account Required:** I/We understand that an escrow account is required for the payment of real estate taxes, hazard insurance, mortgage insurance, and flood insurance (if applicable) in connection with the loan being obtained on the property described above. The Lender will pay interest on funds deposited in the escrow account at a rate not less than the discount rate* computed on the average monthly balance in the account. Interest will be paid quarterly by crediting the escrow account the amount of the interest due.

_____ **Escrow Account Optional:** I/We understand that an escrow account is not required for the payment of real estate taxes, hazard insurance, and flood insurance (if applicable) in connection with the loan being obtained on the property described above. I/We acknowledge my/our legal responsibility for the payment of taxes and insurance. I/We select the following option:

_____ I/We elect to manage the payment of insurance premiums, taxes and other charges for my/our own account. I/We acknowledge that the lender may require the establishment of an escrow account for the payment of taxes and insurance if I/we fail to pay the taxes, insurance premiums or other charges pertaining to the property securing the loan prior to the delinquency date for such payments.

_____ I/We elect to maintain an escrow account for the payment of _____ real estate taxes, _____ hazard insurance, and/or _____ flood insurance to be serviced by the lender at no charge to me/us. I/We understand that the costs of real estate taxes, hazard insurance, and flood insurance (if applicable) may increase in the future and that our monthly payment will be adjusted to reflect those increases. The Lender will pay interest on funds deposited in the escrow account at a rate not less than the discount rate* computed on the average monthly balance in the account. Interest will be paid quarterly by crediting the escrow account the amount of the interest due.

*Discount Rate is the auction average rate on a 91-day United States Treasury bills, as established by the most recent auction of such Treasury bills, as published by the United States Treasury, Bureau of the Public Debt, less 100 basis points. The rate of interest payable on the account shall be adjusted semiannually to reflect changes in the discount rate/ The discount rate shall be determined as of May 15 and shall take effect on the following July 1; and then determined on November 15 and shall take effect on the following January 1.

I/We understand that I/we may select a different option at any time. Any request to change the escrow account status of my/our loan must be made in writing. I/We hereby acknowledge receipt of a copy of this Notice.

Borrower Date

Borrower Date

Borrower Date

Borrower Date