



STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

KEVIN ELSENHEIMER
EXECUTIVE DIRECTOR

January 4, 2016

Dear Management Agent:

Remember to retain the Escrow Analysis statements you receive in December for the year-end audit. *The December analysis does NOT change the escrow payments due for the upcoming year.* A separate standard payment letter (for principal, interest, and escrow payments due) has been released in December identifying the total monthly payment due beginning January 1st.

Based on the December Tax and Insurance Escrow Analysis, the following actions are in the process of being taken:

Total Escrow Deficits

If an escrow deficit exists, the MSHDA Finance staff will attempt to fund the deficit from the following sources:

1. The opposite (tax or insurance) escrow's surplus, if available.
2. Operating Reserve Cash (ORC) Escrow, or
3. Development Cost Escrow (DCE) Interest Account

The December Activity Statement will reflect any transfers that took place to help fund a "Total Escrow Deficit" amount. If the "Total Escrow Deficit" cannot be resolved through transfers from the above accounts, the outstanding amount must be funded by **Monday, January 25th** from either the development's operating account or the owner.

Payments made by check need to clearly identify whether the payment is for a Tax or an Insurance deficit. If you are unable to fund the deficit, you must notify your assigned Asset Manager to make other arrangements on or before the specified due date.

Note: Adequate funding of the Tax and Insurance Escrow accounts is a Mandatory Factor in awarding Premium Management Fees (PMF).

Total Escrow Surplus

If a "Total Escrow Surplus" exists, the amount of surplus will automatically be transferred to the development's ORC account and displayed on the December Activity Statement.

Asset Management Division
Michigan State Housing Development Authority

735 East Michigan Avenue, P.O. Box 30044, Lansing, Michigan 48909
michigan.gov/mshda • 517.373.8370 • FAX 517.335.4797 • TTY 800.382.4568

