ESCROW ACCOUNT OPTION NOTICE

Loan #:
MIN:

Date:

Lender:

Borrower(s):

Property Address:

This Notice is being provided to you, the Borrower(s), because certain recurring third-party charges are being assessed in connection with your real estate loan. These charges are for homeowner's insurance, mortgage insurance, property taxes, flood insurance (if any) and other similar items ("Charges"). Under Oregon law, funds for these Charges may:

- Be **required**, by the Lender, to be deposited into an escrow account ("Required Escrow Account"); or
- Be placed **voluntarily** by you into an escrow account ("Optional Escrow Account").

Alternatively, you may pay for these Charges on your own and not establish an escrow account ("No Escrow Account"). However, the Lender may, in the future, require the establishment of an escrow account if you fail to pay any of the Charges before any of them becomes delinquent.

An "Optional Escrow Account" arrangement is not a condition to your real estate loan agreement. Lender will pay interest on the deposits into the escrow account created under such an arrangement 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 to the escrow account the amount of the interest due. The Lender will not charge a fee for such account.

For a "Required Escrow Account", Lender will pay interest on deposits into this account at the same rate and manner as described for an "Optional Escrow Account."

The following table indicates the types of payment arrangements to be made in regards to the Charges. Please ask your Lender for details concerning Charges which have multiple arrangements:

	Required Escrow Account	Optional Escrow Account	No Escrow Account
Homeowner's Insurance	☐	☐	☐
Mortgage Insurance	☐	☐	☐
Property Taxes	☐	☐	☐

Acknowledgment

By signing below, Borrower acknowledges receipt of this Notice.

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- BORROWER - **- DATE -**

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- BORROWER - **- DATE -**

* Unless otherwise defined in Or. Rev. Stat. Ann. § 86.245(1), the "discount rate" is the auction average rate on 91-day United States Treasury bills, as established by the most recent auction of such Treasury bills, as published by the United States Department of the 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 calculated on May 15th and shall take effect on the following July1st; and shall be calculated on November 15th and shall take effect on the following January 1st.