

[Date]

[Recipient Name]
[Property Address]
[City, State, Zip Code]

Subject: Important Information Regarding Your Escrow Account Analysis

Dear [Borrower Name],

We recently completed an annual review of your escrow account to ensure that sufficient funds are available to pay your property taxes and insurance premiums. Based on this analysis, your account currently has a shortage of \$[Shortage Amount].

Why is there a shortage?

A shortage occurs when the escrow balance is lower than required, typically due to an increase in property tax assessments or insurance premiums over the past year.

Your Options:

- **Option 1: Pay the shortage in full.** You may make a one-time payment of \$[Shortage Amount] by [Date]. If you choose this option, your new monthly mortgage payment will be \$[New Monthly Payment].
- **Option 2: Spread the shortage over 12 months.** If no action is taken, we will automatically divide the shortage by 12 and add \$[Monthly Shortage Portion] to your monthly payment. Your new total monthly payment will be \$[New Monthly Payment + Monthly Shortage Portion].

Effective Date:

Your new monthly payment amount will go into effect on [Effective Date].

Please review the enclosed Escrow Account Disclosure Statement for a detailed breakdown of your account activity. If you have any questions, please contact our customer service department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Your Name/Company Name]
[Department Name]