

FINAL NOTICE: ESCROW SHORTAGE ADJUSTMENT

Date: [Insert Date]

Loan Number: [Insert Loan Number]

Property Address: [Insert Property Address]

Dear [Borrower Name],

This is a final notice regarding the shortage in your escrow account. As previously communicated, an annual review of your escrow account was conducted on [Date of Review]. Due to increases in [Taxes/Insurance/Other], your current monthly payments are insufficient to cover the projected disbursements for the upcoming year.

Escrow Account Summary:

- Current Escrow Balance: \$[Amount]
- Required Minimum Balance: \$[Amount]
- **Total Shortage Amount: \$[Amount]**

To resolve this shortage, you must choose one of the following options by [Deadline Date]:

Option 1: Pay the shortage in full.

Please submit a one-time payment of \$[Total Shortage Amount]. Your new monthly mortgage payment will be \$[New Payment Amount], effective [Date].

Option 2: Spread the shortage over 12 months.

If no action is taken, we will automatically spread the shortage over 12 months. Your new monthly mortgage payment will be \$[New Payment Amount], which includes \$[Monthly Shortage Portion] to cover the deficiency, effective [Date].

Please note that failure to address this shortage may result in a significant increase in your monthly housing costs. If you have already sent your payment, please disregard this notice.

If you have any questions, please contact our Escrow Department at [Phone Number] between [Hours of Operation].

Sincerely,

[Sender Name]

[Company Name]

[Contact Information]