

[Date]

[Borrower Name]

[Property Address]

[City, State, Zip Code]

Loan Number: [Insert Loan Number]

Subject: Supplemental Escrow Shortage Adjustment Notice

Dear [Borrower Name],

This letter is to inform you of a supplemental adjustment to your escrow account. Following a recent review of your property taxes and/or insurance premiums, we have identified a shortage in your escrow balance that was not covered in your previous annual disclosure statement.

Reason for Adjustment: [Insert Reason, e.g., Supplemental Tax Bill / Insurance Premium Increase]

Total Shortage Amount: \$[Insert Amount]

To resolve this shortage, you may choose one of the following options:

- **Option 1: Pay the full amount.** You may pay the one-time shortage of \$[Insert Amount] by [Insert Date]. This will prevent an increase in your monthly mortgage payment related to this specific shortage.
- **Option 2: Spread the payment.** You may spread the shortage amount over the next [Insert Number] months. This will increase your monthly mortgage payment by \$[Insert Monthly Increase Amount] starting on [Insert Start Date].

New Total Monthly Payment: \$[Insert New Total Amount] (If Option 2 is selected)

Please contact our Escrow Department at [Insert Phone Number] by [Insert Deadline Date] to notify us of your preferred option. If we do not hear from you, we will automatically apply Option 2 to your account.

Thank you for your prompt attention to this matter.

Sincerely,

[Name/Department]

[Company Name]

[Phone Number]