

Date: [Date]

Recipient Name: [Mortgagor Name]

Property Address: [Property Address]

Loan Number: [Loan Number]

Subject: Important Update Regarding Your Escrow Account and Monthly Payment

Dear [Mortgagor Name],

We recently completed an annual analysis of your escrow account. Due to a recent increase in your property taxes, your monthly mortgage payment will be adjusted.

Analysis Summary:

- **Previous Property Tax Amount:** \$[Amount]
- **New Property Tax Amount:** \$[Amount]
- **Escrow Shortage:** \$[Amount]

Payment Changes:

Starting on [Date], your new total monthly payment will be **\$(New Total Amount)**. This is an increase of **\$(Difference)** from your previous payment of **\$(Old Total Amount)**.

Shortage Options:

Your account currently has a shortage because the taxes paid were higher than the funds collected. You have two options to address this:

1. **Pay in full:** Make a one-time payment of **\$(Shortage Amount)** by [Date] to cover the deficit. Your monthly payment will still increase to cover the higher tax rate, but the "shortage spread" will be removed.
2. **Spread the payments:** Do nothing, and the shortage will be divided over the next 12 months and added to your new monthly payment (this is the option reflected in the new payment amount above).

Please review the attached Escrow Account Disclosure Statement for a detailed breakdown of these calculations. If you have any questions, please contact our Customer Service Department at [Phone Number] or visit our website at [Website].

Sincerely,

[Company Name]

[Department Name]