

[Date]

[Borrower Name]  
[Borrower Address]  
[City, State, Zip Code]

**RE: Notice of Escrow Account Shortage and Noncompliance**

Loan Number: [Insert Loan Number]  
Property Address: [Insert Property Address]

Dear [Borrower Name],

This letter serves as formal notice regarding the escrow account associated with the above-referenced commercial mortgage. Based on our most recent analysis, your escrow account is currently in noncompliance with the terms of your Loan Agreement.

**Reason for Noncompliance:**

[Insert Reason: e.g., Insufficient funds for upcoming property tax payment / Insurance premium increase / Failure to maintain minimum required reserve balance]

**Account Summary:**

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

To bring your account back into compliance, please select one of the following options by [Insert Deadline Date]:

1. **Lump Sum Payment:** Remit a single payment of \$[Amount] to cover the deficiency.
2. **Increased Monthly Payments:** Your monthly escrow contribution will be increased to \$[New Amount] effective [Date].

Please send payments to [Insert Payment Address/Instructions]. Failure to remedy this deficiency may result in a formal Default under the terms of your mortgage.

If you have already sent this payment or have questions regarding this analysis, please contact our Servicing Department at [Phone Number] or [Email Address].

Sincerely,

[Sender Name]  
[Title]  
[Company Name]