

**Date:** [Insert Date]

**Recipient Name:** [Insert Borrower Name]

**Property Address:** [Insert Property Address]

**Loan Number:** [Insert Loan Number]

## **NOTICE: ESCROW SHORTAGE AND DEMAND FOR PAYMENT**

Dear [Insert Borrower Name],

We are writing to inform you that we have completed a recent analysis of your escrow account. This analysis shows that your current escrow balance is insufficient to cover the upcoming projected disbursements for property taxes and/or insurance premiums.

### **Escrow Account Summary:**

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

This shortage has occurred due to: [Insert Reason, e.g., Increase in Property Taxes / Increase in Insurance Premiums].

### **Payment Options:**

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

1. **Pay in Full:** Submit a one-time payment of \$[Insert Shortage Amount] by [Insert Due Date]. Your monthly mortgage payment will only increase by the amount needed for future escrow disbursements.
2. **Spread Over 12 Months:** Spread the shortage over the next 12 months. This will increase your monthly mortgage payment from \$[Current Payment] to \$[New Payment], effective [Insert Date].

If we do not receive the full payment by [Insert Due Date], we will automatically apply Option 2 and adjust your monthly mortgage payment accordingly.

Please make checks payable to [Insert Company Name] and include your loan number in the memo line.

If you have any questions regarding this notice, please contact our Customer Service Department at [Insert Phone Number].

Sincerely,

[Insert Name/Department]

[Insert Company Name]