

[Lender Name]
[Lender Address]
[City, State, Zip Code]
[Phone Number]

[Date]

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

Re: Escrow Account Deficit Notification for Loan Number: [Loan Number]

Dear [Borrower Name],

We are writing to inform you that a recent analysis of your mortgage escrow account indicates a projected deficit. This occurs when the funds currently in your account, combined with your scheduled monthly payments, are insufficient to cover your upcoming property taxes and/or homeowners insurance premiums.

Escrow Analysis Summary:

- Current Escrow Balance: \$[Amount]
- Required Minimum Balance: \$[Amount]
- Total Projected Shortfall: \$[Amount]

This deficit is primarily due to: [Reason, e.g., increase in property taxes / increase in insurance premiums].

Your Options:

1. **Pay the full deficit:** You may make a one-time payment of \$[Amount] by [Date] to cover the shortfall. Your monthly mortgage payment will still increase slightly to account for the higher projected costs moving forward.
2. **Spread the deficit:** You may spread the deficit amount over the next 12 months. This will result in a larger increase to your total monthly mortgage payment.

New Payment Information:

Effective [Date], your new total monthly mortgage payment will be \$[New Amount]. This includes your principal, interest, and the adjusted escrow contribution.

If you have any questions regarding this analysis or would like to make a payment, please contact our Customer Service Department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Lender Name/Escrow Department]