

NOTICE OF DEFAULT AND DEMAND FOR PAYMENT

Date: [Insert Date]

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

Re: Loan Account Number: [Insert Account Number]

Dear [Borrower Name],

This letter serves as formal notice that your mortgage account is in default due to an escrow deficiency. According to our records, the funds currently held in your escrow account are insufficient to cover required disbursements for property taxes and/or insurance premiums.

Total Escrow Deficiency Amount: \$[Insert Amount]

As per the terms of your Promissory Note and Deed of Trust/Mortgage, you are required to maintain a sufficient balance in your escrow account to meet these obligations. The deficiency has occurred due to the following:

- [Insert Reason, e.g., Increase in Property Taxes]
- [Insert Reason, e.g., Increase in Insurance Premiums]
- [Insert Reason, e.g., Disbursement Shortfall]

DEMAND FOR PAYMENT

Demand is hereby made for the payment of the total deficiency amount of \$[Insert Amount] to be received by our office no later than [Insert Due Date].

Failure to cure this deficiency by the date specified may result in the following actions:

- Adjustment of your monthly mortgage payment to include a shortage spread.
- Placement of lender-placed insurance (which may be more expensive than private insurance).
- Further acceleration of the loan and initiation of foreclosure proceedings as permitted by law.

Please remit payment immediately to the address below or contact our Loan Servicing Department at [Insert Phone Number] to discuss potential repayment options or to provide proof of payment if you believe this notice is in error.

Sincerely,

[Your Name/Entity Name]

[Title]

[Company Name]

[Address]

[Phone Number]