[Date]

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

Subject: Important Information Regarding Your Escrow Account and Loan Modification

Dear [Borrower Name],

As part of your Streamlined Modification for loan number [Loan Number], we have performed a review of your escrow account. This letter details how your escrow balance and monthly payments will be adjusted to complete your modification.

1. Escrow Analysis Summary

Due to the modification, any existing escrow shortage or delinquent property taxes/insurance premiums have been capitalized (added) to your new principal balance. This allows you to bring your account current without a large lump-sum payment.

2. New Monthly Payment Breakdowns

- New Principal and Interest: $[Amount]
- New Monthly Escrow Payment: $[Amount]
- **Total Monthly Mortgage Payment: $[Total Amount]**

3. Effective Date

Your first modified payment is due on [Date]. Please ensure your payment method (Auto-pay or manual) is updated to reflect this new amount.

4. Future Adjustments

We will continue to perform an annual escrow analysis to ensure your monthly deposits cover your property taxes and insurance premiums. You will receive a separate statement if your payments change in the future due to tax or insurance rate fluctuations.

If you have any questions regarding these adjustments, please contact our Loan Modification Department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Servicer Name]
[Department Name]