

[Date]

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

Re: Loan Number: [Loan Number] - Initial Escrow Account Disclosure Statement

Dear [Borrower Name],

This letter provides a breakdown of your initial escrow account and explains how your monthly mortgage payment is calculated. Your escrow account is used to pay property-related expenses such as property taxes and insurance premiums on your behalf.

1. Monthly Payment Breakdown

Starting on [Date of First Payment], your total monthly payment will be **[\$[Total Amount]]**, divided as follows:

- **Principal and Interest:** **[\$[Amount]]**
- **Escrow Deposit (Taxes and Insurance):** **[\$[Amount]]**
- **Total Monthly Payment:** **[\$[Total Amount]]**

2. Estimated Annual Disbursements

Based on current information, we anticipate paying the following amounts from your escrow account during the coming year:

- **Property Taxes:** **[\$[Amount]]** (Estimated Due Date: [Date])
- **Homeowners Insurance:** **[\$[Amount]]** (Estimated Due Date: [Date])
- **Mortgage Insurance (if applicable):** **[\$[Amount]]**
- **Total Estimated Disbursements:** **[\$[Total Annual Amount]]**

3. Escrow Cushion Requirement

To ensure sufficient funds are available for your bills, a minimum balance (cushion) of **[\$[Cushion Amount]]** is required to be maintained in your account. This is calculated as [Number] months of escrow payments.

4. Future Adjustments

We will review your escrow account annually. If your taxes or insurance premiums change, your monthly escrow payment will be adjusted accordingly to ensure the account remains balanced.

If you have any questions regarding this breakdown, please contact our Customer Service Department at [Phone Number] or visit [Website].

Sincerely,

[Servicer Name]

[Department Name]