

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

[Date]

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

## **Re: Annual Escrow Account Disclosure Statement**

Dear [Borrower Name],

Enclosed is your Annual Escrow Account Disclosure Statement. We perform this analysis every year to ensure that your escrow account has sufficient funds to pay your property taxes and insurance premiums as they become due.

### **How Your Escrow Payment is Calculated:**

Your monthly escrow payment is determined by taking the total estimated amount of your upcoming tax and insurance bills and dividing that sum by 12. We also maintain a minimum required cushion as permitted by law to cover any unexpected increases in these costs.

### **Results of Your Analysis:**

Based on our most recent review, your monthly mortgage payment will change from **[\$Old Payment Amount]** to **[\$New Payment Amount]**, effective **[Effective Date]**.

This change is due to one or more of the following factors:

- An increase or decrease in property tax assessments.
- A change in your homeowners insurance premiums.
- A shortage or surplus in your escrow account from the previous year.

### **Shortage or Surplus Information:**

[Select one]:

- **Shortage:** Your account has a shortage of **[\$Amount]**. This will be spread over 12 months and added to your new monthly payment. You also have the option to pay this shortage in full by **[Due Date]** to lower your monthly payment.

- **Surplus:** Your account has a surplus of **[\$Amount]**. [A check for this amount is enclosed / This amount has been applied to your future payments].

Please review the attached statement for a detailed breakdown of your account activity and projected disbursements. If you have any questions, please contact our Customer Service Department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Sender Name/Department]  
[Company Name]