

[Date]  
[Lender Name]  
[Lender Address]  
[City, State, Zip Code]

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

**RE: Notice of Escrow Account Shortage**

Loan Number: [Insert Loan Number]

Dear [Borrower Name],

We have recently completed an annual analysis of your escrow account to ensure sufficient funds are available to pay your property taxes and insurance premiums. Based on this review, your account currently has a shortage of \$[Shortage Amount].

This shortage occurred due to [Reason for Shortage, e.g., an increase in property taxes or insurance premiums].

To resolve this shortage, you may choose one of the following options:

- **Pay in Full:** You may pay the entire shortage amount of \$[Shortage Amount] by [Due Date] to keep your monthly payment as low as possible.
- **Spread Over 12 Months:** You may spread the shortage amount over the next 12 months. This will increase your monthly mortgage payment by \$[Monthly Increase Amount].

Based on this analysis, your new monthly mortgage payment will be \$[New Total Payment Amount], effective [Effective Date]. This new amount includes your principal, interest, and the adjusted escrow deposit.

If you have any questions regarding this notification or your escrow account, please contact our customer service department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Name/Department]  
[Lender Name]