

[Date]

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

**Re: Escrow Account Surplus Disbursement Approval**

Loan Number: [Insert Loan Number]

Dear [Borrower Name],

We are writing to inform you that we have completed the annual analysis of your escrow account. Based on this review, it has been determined that your account has a surplus balance of \$[Amount].

This letter serves as official approval for the disbursement of these funds. In accordance with your account preferences and federal regulations, we will process the surplus as follows:

- **Option Selected:** [Check Refund / Credit to Principal]
- **Disbursement Date:** [Date]
- **Amount:** \$[Amount]

If you have selected a check refund, please allow [Number] business days for the check to arrive at your mailing address. If you have chosen to apply the surplus to your principal balance, this adjustment will be reflected on your next monthly statement.

Please note that your new monthly mortgage payment will be adjusted to \$[New Payment Amount] effective [Date] to account for updated tax and insurance estimates.

If you have any questions regarding this disbursement or your escrow analysis, please contact our Customer Service Department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Name of Representative]  
[Title]  
[Financial Institution Name]