

[Date]

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

RE: Notice of Escrow Surplus and Mortgage Payment Adjustment

Account Number: [Loan Number]

Dear [Borrower Name],

We have completed the annual analysis of your escrow account. This analysis ensures that enough funds are being collected to cover your property taxes and insurance premiums.

Escrow Surplus

Our records indicate that your escrow account currently has a surplus of **[\$[Surplus Amount]**. This means the balance in your account is higher than required to meet your upcoming obligations and maintain the required minimum cushion.

Regarding this surplus:

- A check for the full surplus amount is enclosed with this letter.
- The surplus has been applied to your escrow balance to reduce future payments.

Payment Reduction

Based on the updated projections for your taxes and insurance, your monthly mortgage payment will be reduced. This change will be effective as of **[Effective Date]**.

Current Monthly Payment: \$[Old Total Amount]

New Monthly Payment: \$[New Total Amount]

A breakdown of your new payment is as follows:

- Principal and Interest: \$[Amount]
- Escrow (Taxes and Insurance): \$[Amount]
- Other (PMI/Fees): \$[Amount]

You do not need to take any action unless you have an automatic payment set up through a personal banking "Bill Pay" service. If so, please update the payment amount with your bank before the effective date.

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

Sincerely,

[Lender Name]
[Escrow Department]