

Date: [Insert Date]

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

Loan Number: [Insert Loan Number]

Subject: Notice of Escrow Account Surplus

Dear [Borrower Name],

We recently completed an annual analysis of your escrow account to ensure that adequate funds are being collected for the payment of your property taxes and insurance premiums. Our records indicate that your account currently has a surplus of **#[Insert Amount]**.

According to the terms of your mortgage agreement and federal regulations, you may choose how to receive these funds. Please select one of the following options:

- **Refund Check:** A check for the surplus amount will be mailed to your address on file within 30 days.
- **Principal Reduction:** The surplus amount can be applied directly to your loan's principal balance.
- **Retain in Escrow:** The surplus can remain in your escrow account to cover future tax or insurance increases.

New Monthly Payment Information:

Based on this analysis, your new monthly mortgage payment will be **#[Insert New Amount]**, effective **[Insert Date]**. This change is reflected in the enclosed escrow analysis statement.

If you have any questions or would like to designate how your surplus should be applied, please contact our Customer Service Department at [Insert Phone Number] or visit our website at [Insert Website].

Sincerely,

[Servicer Name]
[Escrow Department]