

Date: [Insert Date]

To:

[Borrower Name]

[Property Address]

[City, State, Zip Code]

Loan Number: [Insert Loan Number]

Subject: Annual Escrow Account Disclosure Statement - Deficiency Notice

Dear [Borrower Name],

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

Our records show that your escrow account currently has a **deficiency** in the amount of **[\$[Insert Deficiency Amount]]**. This means your account balance is below the required minimum due to an increase in your tax or insurance costs.

To resolve this deficiency, please choose one of the following options:

- **Option 1: Single Payment.** Pay the full deficiency amount of **[\$[Insert Deficiency Amount]]** by **[Insert Date]**. Your new monthly mortgage payment will be **[\$[Insert New Monthly Amount]]**.
- **Option 2: Monthly Installments.** Spread the deficiency over the next 12 months. Your new monthly mortgage payment, including the deficiency repayment, will be **[\$[Insert New Monthly Amount]]**.

The new payment amount will take effect on **[Insert Effective Date]**.

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

Sincerely,

[Lender Name]

[Escrow Department]