

[Date]

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

Re: Loan Number: [Loan Number]

## **NOTICE OF ESCROW ACCOUNT DEFICIENCY**

Dear [Borrower Name],

This letter is to inform you that your escrow account, which is used to pay for your property taxes and/or insurance premiums, currently has a deficiency in the amount of **[\$[Amount]]**.

This deficiency has occurred because [Reason for deficiency, e.g., an increase in property taxes / insurance premiums / missed payments]. To ensure there are sufficient funds to cover your upcoming obligations, you must resolve this shortage.

### **Payment Options:**

- **Lump Sum:** You may pay the full deficiency amount of **[\$[Amount]]** by [Due Date] to keep your monthly mortgage payment the same.
- **Installment Plan:** You may spread the deficiency over [Number of Months] months. This will increase your monthly mortgage payment by **[\$[Monthly Increase Amount]]**, starting on [Start Date].

Please contact our Escrow Department at [Phone Number] by [Deadline Date] to notify us of your preferred payment option. If we do not hear from you, we will automatically apply the installment plan to your monthly billing cycle.

Failure to address this deficiency may result in unpaid taxes or a lapse in insurance coverage, which could lead to a default under the terms of your mortgage agreement.

Thank you for your prompt attention to this matter.

Sincerely,

[Your Name/Department]  
[Lending Institution Name]  
[Contact Phone Number]