

Date: [Date]

Recipient Name: [Borrower Name]

Property Address: [Property Address]

Loan Number: [Loan Number]

Subject: Notice of Escrow Account Deficiency and Payment Adjustment

Dear [Borrower Name],

We have recently completed an annual analysis of your escrow account to ensure that sufficient funds are available to pay for your property taxes and insurance premiums. Based on this review, your account currently has a deficiency.

Account Summary:

- Current Escrow Balance: \$[Amount]
- Required Minimum Balance: \$[Amount]
- **Total Deficiency Amount: \$[Amount]**

The deficiency is primarily due to: [Increase in Property Taxes / Increase in Insurance Premiums / Other].

Payment Options:

To address this deficiency, you may choose one of the following options:

1. **Pay in Full:** You may pay the full deficiency amount of \$[Amount] by [Date] to keep your monthly payment as low as possible.
2. **Spread Over 12 Months:** You may spread the deficiency over the next 12 months. This amount will be added to your new monthly mortgage payment.

New Payment Schedule:

Effective [Date], your new total monthly mortgage payment will be adjusted as follows:

- Principal and Interest: \$[Amount]
- New Escrow Deposit: \$[Amount]
- Deficiency Spread (if applicable): \$[Amount]
- **Total New Monthly Payment: \$[Amount]**

If you have already sent a payment to cover this deficiency, please disregard this notice. If you have any questions regarding your escrow analysis, please contact our Customer Service Department at [Phone Number] or visit [Website].

Sincerely,

[Sender Name]
[Company Name]
[Contact Information]