

Date: [Date]

Recipient Name: [Homeowner Name]

Property Address: [Property Address]

Loan Number: [Loan Number]

Notice of Escrow Account Deficiency

Dear [Homeowner Name],

We are writing to inform you of a deficiency in your mortgage escrow account. This shortage is due to an increase in your homeowners insurance premium for the upcoming period.

Current Insurance Premium: \$[Amount]

New Insurance Premium: \$[Amount]

Total Escrow Deficiency: \$[Total Shortage Amount]

To resolve this deficiency and ensure your insurance coverage remains active, you may choose one of the following options:

- **Option 1: Pay in Full.** You may make a one-time payment of \$[Total Shortage Amount] by [Date] to cover the shortage.
- **Option 2: Monthly Installments.** You may spread the deficiency over the next 12 months. This will increase your monthly mortgage payment by \$[Monthly Increase Amount], starting on [Date].

If we do not hear from you by [Date], we will automatically apply Option 2 and adjust your monthly payment accordingly.

If you have any questions regarding this change, please contact our Escrow Department at [Phone Number] or your insurance agent at [Agent Phone Number].

Sincerely,

[Sender Name]

[Company Name]

[Contact Information]