

[Date]

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

RE: Notice of Escrow Account Deficiency - Loan Number: [Loan Number]

Dear [Borrower Name],

We are writing to inform you that a recent disbursement from your escrow account for [Property Taxes/Insurance/Other] has resulted in a deficiency in your account balance.

This deficiency occurred because the actual cost of the [Type of Bill] was higher than the amount previously estimated and collected. As a result, your escrow account currently has a shortage of \$[Deficiency Amount].

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

- **Option 1: Full Payment.** Pay the total deficiency amount of \$[Deficiency Amount] by [Due Date] to keep your monthly mortgage payment as low as possible.
- **Option 2: Spread Over 12 Months.** Spread the deficiency amount over the next 12 months. This will increase your monthly mortgage payment by \$[Monthly Increase Amount] starting on [Date].

If we do not receive the full payment by [Due Date], we will automatically apply Option 2 and adjust your monthly payment accordingly.

If you have any questions regarding this notice or your escrow account, please contact our Customer Service Department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Lender Name]
[Escrow Department/Department Name]