

[Date]

[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 your annual escrow analysis has been completed. Due to a recent increase in property taxes assessed by [Taxing Authority Name], your escrow account currently has a deficiency of \$[Deficiency Amount].

To ensure there are sufficient funds to pay your upcoming tax and insurance bills, your monthly mortgage payment will be adjusted as follows:

- **Current Monthly Payment:** \$[Amount]
- **New Monthly Payment:** \$[Amount]
- **Effective Date:** [Date]

You have the following options to address the current deficiency:

1. **Pay the full deficiency:** You may make a one-time payment of \$[Deficiency Amount] by [Due Date]. If you choose this option, your monthly payment will still increase to cover the higher ongoing tax rate, but will not include the catch-up spread.
2. **Spread the deficiency:** You may spread the deficiency over the next 12 months. This amount has already been factored into the "New Monthly Payment" listed above.

If you have questions regarding the increase in your property tax assessment, please contact [Taxing Authority Name] directly at [Phone Number].

For questions regarding your escrow account or this notice, please contact our customer service department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Lender/Service Name]
[Department Name]