

[Date]

[Recipient Name]

[Address Line 1]

[Address Line 2]

**Subject: Annual Escrow Account Review and Payment Adjustment**

Dear [Borrower Name],

We have completed the annual review of your escrow account for loan number [Loan Number]. This review ensures that enough funds are collected to pay your property taxes and insurance premiums as they become due.

**Review Summary:**

- Current Monthly Escrow Payment: \$[Amount]
- New Monthly Escrow Payment: \$[Amount]
- Principal and Interest Payment: \$[Amount]
- **Total New Monthly Mortgage Payment: \$[Total Amount]**

**Escrow Account Status:**

Based on our projections for the coming year, your account currently has a:

[ ] **Surplus:** \$[Amount]. This will be [refunded to you via check / applied to your escrow balance].

[ ] **Shortage:** \$[Amount]. This occurs when the account balance is lower than required. You may pay this in a single lump sum by [Date] to keep your monthly payment lower, or it will be spread over the next 12 months as part of your new payment.

**Effective Date:**

Your new monthly payment amount will go into effect on [Date]. Please update your records or automatic payment settings accordingly.

If you have any questions regarding this adjustment or the attached Escrow Disclosure Statement, please contact our customer service department at [Phone Number] or visit our website at [Website].

Sincerely,

[Name/Department]

[Company Name]