

[Date]

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

**RE: Notice of Escrow Account Deficiency and Payment Adjustment**

Loan Number: [Loan Number]

Dear [Borrower Name],

We have recently completed an annual analysis of your escrow account. This review ensures that sufficient funds are available to pay for your property taxes and insurance premiums as they become due.

**Escrow Deficiency Details:**

Based on our analysis, your escrow account currently has a deficiency of **[\$Amount]**. This is primarily due to an increase in [Property Taxes / Insurance Premiums / Other Costs].

**Repayment Options:**

You may choose one of the following options to address this deficiency:

- **Option 1: Full Payment.** You may pay the total deficiency of **[\$Amount]** by [Date] to keep your monthly escrow payment as low as possible.
- **Option 2: Spread Payment.** You may spread the deficiency over the next 12 months. This amount will be added to your monthly mortgage payment.

**New Monthly Payment:**

Starting on [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 any questions regarding this adjustment or if you would like to make a lump-sum payment, please contact our Customer Service Department at [Phone Number] or visit [Website].

Sincerely,

[Lender Name]  
[Department Name]