

Date: [Insert Date]

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

Loan Number: [Insert Loan Number]

NOTICE OF ESCROW ACCOUNT PAYMENT ADJUSTMENT

Dear [Borrower Name],

This letter serves as formal notice regarding an adjustment to your monthly mortgage payment due to changes in your escrow account and the scheduled interest rate adjustment of your Adjustable Rate Mortgage (ARM).

Escrow Analysis Summary:

- **Current Monthly Escrow Payment:** \$[Amount]
- **New Monthly Escrow Payment:** \$[Amount]
- **Reason for Change:** [Annual tax assessment change / Insurance premium adjustment]

Total Payment Adjustment:

Your new total monthly payment, which includes principal, interest, and the updated escrow deposit, will be effective as of [Date].

Payment Component	Current Amount	New Amount
Principal and Interest	[\$Amount]	[\$Amount]
Escrow (Taxes and Insurance)	[\$Amount]	[\$Amount]
Total Monthly Payment	[\$Amount]	[\$Amount]

Escrow Shortage/Surplus Information:

[Select one: Your account currently has a shortage of \$[Amount], which has been spread over the next 12 months in the new payment calculation. / Your account has a surplus of \$[Amount], which is being returned to you via check/credit.]

If you have any questions regarding this adjustment or the recent analysis of your escrow account, please contact our Customer Service Department at [Phone Number] or visit our website at [Website Address].

Sincerely,

[Mortgage Servicer Name]

[Department Name]

[Contact Information]