

[Date]

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

RE: Escrow Account Shortage Payment Adjustment Notice

Dear [Borrower Name],

We recently completed an annual analysis of your escrow account for loan number [Loan Number]. Based on this review, your account currently has a shortage of \$[Total Shortage Amount].

This shortage occurred because the actual costs for your property taxes and/or insurance premiums were higher than previously estimated.

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

- **Option 1: Pay the shortage in full.** You may send a one-time payment of \$[Total Shortage Amount] by [Due Date]. Your new monthly mortgage payment will be \$[New Monthly Payment Amount].
- **Option 2: Spread the shortage over 12 months.** If you choose not to pay the full amount now, the shortage will be divided over the next 12 months. Your new monthly mortgage payment will be \$[New Monthly Payment Amount], which includes \$[Monthly Shortage Portion] to cover the deficit.

Your new payment amount will take effect on [Effective Date].

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

Sincerely,

[Lender Name]
[Escrow Department]