

[Date]

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

RE: Notice of Initial Escrow Account Setup and Mortgage Payment Adjustment

Loan Number: [Loan Number]

Dear [Borrower Name],

This letter is to inform you that an escrow account has been established for your mortgage loan to pay for future property taxes and/or insurance premiums. As a result, your monthly mortgage payment has been adjusted to include these costs.

Payment Adjustment Summary:

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

Escrow Account Analysis:

Your escrow payment was calculated based on the estimated annual disbursements for the following items:

- **Property Taxes:** \$[Estimated Annual Amount]
- **Homeowners Insurance:** \$[Estimated Annual Amount]
- **Mortgage Insurance (if applicable):** \$[Estimated Annual Amount]

Please update your records and adjust any automated payments to reflect the new total monthly amount effective [Effective Date].

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

Sincerely,

[Lender/Service Name]
[Department Name]