

[Date]

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

**RE: Annual Escrow Account Disclosure Statement and Force-Placed Insurance Update**

**Loan Number: [Loan Number]**

Dear [Borrower Name],

We have completed the annual analysis of your escrow account. This review ensures that the funds collected each month are sufficient to cover your property taxes and insurance premiums.

**Reason for Adjustment: Force-Placed Insurance**

As previously notified, we have placed lender-placed (force-placed) insurance on your property because we did not receive proof of voluntary coverage. The cost of this policy has been incorporated into your escrow analysis. Please note that force-placed insurance typically provides less coverage at a higher cost than a policy you obtain yourself.

**Changes to Your Monthly Payment**

Based on this analysis, your monthly mortgage payment will change from **\$(Old Payment Amount)** to **\$(New Payment Amount)**, effective **[Effective Date]**.

Your new payment is broken down as follows:

- Principal and Interest: **\$(Amount)**
- Escrow Deposit (including Force-Placed Insurance): **\$(Amount)**
- Escrow Shortage Payment (if applicable): **\$(Amount)**
- **Total Monthly Payment: \$(New Payment Amount)**

**Escrow Balance Summary**

Current Escrow Balance: **\$(Amount)**

Projected Required Balance: **\$(Amount)**

[Shortage/Surplus] Amount: **\$(Amount)**

**How to Remove Force-Placed Insurance**

If you have obtained your own insurance policy, please provide us with the Declarations Page immediately. Once we verify your voluntary coverage, we will cancel the force-placed policy, refund any unearned premiums to your escrow account, and re-analyze your account to adjust your monthly payment accordingly.

Please send proof of insurance to:

[Insurance Department Name]  
[Address/Fax/Email]  
[Reference Loan Number]

If you have any questions regarding this statement, please contact our Customer Service Department at [Phone Number] between [Hours of Operation].

Sincerely,

[Servicer Name]  
[Escrow Department]