

[Date]

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

RE: Escrow Analysis Update - Force-Placed Insurance Modification
Loan Number: [Loan Number]

Dear [Borrower Name],

This letter is to inform you of a modification to your mortgage escrow account due to a change in your homeowners insurance coverage. Because we did not receive proof of voluntary insurance for your property, we previously implemented a lender-placed (force-placed) insurance policy to protect the collateral.

The cost of this insurance premium has resulted in a shortage in your escrow account. To ensure your account remains compliant with federal regulations and has sufficient funds to cover future disbursements, we have adjusted your monthly mortgage payment.

Account Summary:

- **Current Escrow Balance:** \$[Amount]
- **Calculated Escrow Shortage:** \$[Amount]
- **New Monthly Escrow Payment:** \$[Amount]
- **New Total Monthly Mortgage Payment:** \$[Amount]
- **Effective Date:** [Date]

Options to Resolve the Shortage:

1. **Pay the shortage in full:** You may pay the full shortage amount of \$[Amount] by [Date] to keep your monthly payment increase to a minimum.
2. **Spread the shortage:** If no action is taken, the shortage will be divided by [Number] months and added to your monthly mortgage payment as shown above.

If you have recently obtained private homeowners insurance, please provide a copy of the Declarations Page to [Email/Fax/Address] immediately. Once verified, we will cancel the force-placed policy and issue any applicable premium refunds to your escrow account, which may trigger a new escrow analysis.

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

Sincerely,

[Servicer Name]

[Department Name]