

[Date]

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

**RE: Notice of Escrow Account Modification - Force-Placed Flood Insurance**

Loan Number: [Loan Number]

Dear [Borrower Name],

This letter serves as formal notification that we have updated your mortgage escrow account requirements. Because your property is located in a Special Flood Hazard Area and we have not received evidence of voluntary flood insurance coverage, we have purchased a force-placed flood insurance policy on your behalf to protect the property.

**Escrow Modification Details:**

- **Reason for Modification:** Requirement to escrow for force-placed flood insurance premiums.
- **Annual Premium Amount:** \$[Amount]
- **Effective Date of Coverage:** [Date]
- **New Monthly Escrow Payment:** \$[Amount]
- **Total New Monthly Mortgage Payment:** \$[Amount] (Effective: [Date])

Federal law requires us to maintain an escrow account for flood insurance premiums if your loan is secured by a property in a high-risk flood zone. As a result, your monthly mortgage payment has been adjusted to include the cost of this insurance premium plus any required cushions or reserves.

**How to Cancel This Force-Placed Insurance:**

You may cancel this force-placed policy at any time by providing us with proof that you have purchased your own flood insurance policy. To cancel, please send a copy of your Declarations Page to:

[Insurance Department Name/Address]  
[Fax Number or Email Address]

Upon receipt and verification of your private policy, we will cancel the force-placed insurance and refund any overlapping premiums charged to your escrow account. Your monthly escrow payment will then be recalculated based on your private policy's premium.

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

Sincerely,

[Lender/Service Name]  
[Department Name]