

Date: [Insert Date]

Recipient Name: [Insert Borrower Name]

Property Address: [Insert Property Address]

Loan Number: [Insert Loan Number]

NOTICE OF ESCROW SHORTAGE AND DELINQUENT ADVANCE

Dear [Insert Borrower Name],

This letter is to inform you that your escrow account currently has a shortage and/or a negative balance resulting from funds advanced by [Insert Lender/Service Name] to cover required property expenses.

Due to increases in [Insert: Property Taxes / Homeowners Insurance / Other], the funds previously collected in your monthly payments were insufficient to cover the actual costs. As a result, we have advanced funds on your behalf to ensure your [Taxes/Insurance] remain current.

Account Summary:

- **Current Escrow Balance:** \$[Insert Amount]
- **Escrow Shortage Amount:** \$[Insert Amount]
- **Total Delinquent Advance to be Recovered:** \$[Insert Amount]

Payment Options:

To resolve this deficiency, please choose one of the following options:

1. **Pay in Full:** Remit a one-time payment of \$[Insert Total Amount] by [Insert Date].
2. **Spread Payments:** Add \$[Insert Monthly Amount] to your regular monthly mortgage payment for the next [Insert Number] months. Your new total monthly payment will be \$[Insert New Total Payment] starting on [Insert Date].

If we do not receive the full payment or hear from you regarding a payment plan by [Insert Date], we will automatically apply the "Spread Payments" option to your account to recover the advanced funds.

If you have any questions or believe this information is in error, please contact our Customer Service Department at [Insert Phone Number] or via email at [Insert Email Address].

Sincerely,

[Insert Name/Department]
[Insert Lender/Service Name]