Date: [Insert Date]

Recipient Name: [Insert Borrower Name]
Property Address: [Insert Property Address]
Loan Number: [Insert Loan Number]

Subject: Important Notice Regarding Your Escrow Account Repayment Options

Dear [Insert Borrower Name],

We are writing to inform you that [Insert Lender/Servicer Name] has advanced funds on your behalf to cover essential property expenses, such as property taxes and/or insurance premiums. As a result, your escrow account currently has a shortage/deficiency in the amount of **$[Insert Amount]**.

To help you manage this balance, we are offering the following repayment options. Please select the option that best fits your financial situation:

Option 1: Full Lump Sum Payment
You may pay the full amount of $[Insert Amount] by [Insert Date]. This will prevent your monthly mortgage payment from increasing due to this shortage.

Option 2: 12-Month Repayment Plan
The shortage will be spread over a period of 12 months. This will add $[Insert Monthly Amount] to your monthly mortgage payment starting on [Insert Date].

Option 3: Extended Repayment Plan (Subject to Approval)
In certain cases, we may be able to extend the repayment period to [Insert Number] months. This would result in an additional $[Insert Monthly Amount] per month. Please contact us to see if you qualify for this option.

Action Required:

Please contact our Escrow Department at [Insert Phone Number] or return the enclosed selection form by [Insert Deadline Date] to confirm your preferred plan. If we do not hear from you by this date, we will automatically apply **Option 2**.

If you have any questions, please visit our website at [Insert Website] or call us during business hours.

Sincerely,

[Insert Name/Department]
[Insert Company Name]