[Date]

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

RE: Notice of Escrow Advance for Lender-Placed Insurance
Loan Number: [Loan Number]

Dear [Borrower Name],

We are writing to notify you that we have not received evidence of active hazard insurance coverage for the property located at [Property Address]. As required by your mortgage agreement, you are obligated to maintain continuous insurance coverage on the property.

Because we have not received proof of coverage, we have purchased a lender-placed insurance policy to protect the property. This policy was effective as of [Effective Date] at a total cost of $[Amount].

Escrow Advance Information:

- **Advance Amount:** $[Amount]
- **Date of Advance:** [Date]
- **Reason:** Payment of Lender-Placed Insurance Premium

To cover the cost of this premium, we have advanced the funds through your escrow account. This has resulted in an escrow shortage/deficiency. As a result, your monthly mortgage payment will increase to $[New Payment Amount] effective [Date] to recover these funds.

How to cancel this policy:
If you have your own insurance policy, please provide us with proof of coverage immediately. Upon receipt and verification of your private policy, we will cancel the lender-placed insurance and credit your escrow account for any unearned premium.

Please send proof of insurance to:
[Insurance Department Name/Address]
[Fax Number or Email Address]

If you have any questions, please contact our Customer Service Department at [Phone Number].

Sincerely,

[Lender/Servicer Name]
[Department Name]