

[Date]

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

Re: Loan Number: [Loan Number]

Dear [Borrower Name],

This letter is to inform you of a change to the escrow cushion requirement for your mortgage account. We recently performed an annual analysis of your escrow account to ensure sufficient funds are available to pay your property taxes and insurance premiums.

Escrow Cushion Adjustment Details:

- Current Escrow Cushion: \$[Amount]
- New Escrow Cushion Requirement: \$[Amount]
- Effective Date: [Date]

Federal law allows for a cushion of up to one-sixth (two months) of the total yearly escrow disbursements. We have adjusted your cushion to [Percentage/Amount] to account for projected increases in [Taxes/Insurance] and to prevent future shortages in your account.

Impact on Your Monthly Payment:

As a result of this adjustment and the projected costs of your escrowed items, your new monthly mortgage payment will be **\$[New Total Amount]**, beginning on **[Payment Due Date]**.

A detailed Escrow Account Disclosure Statement is attached to this notification for your review. It provides a breakdown of the estimated payments to be made from your account over the next year.

If you have any questions regarding this adjustment, please contact our Customer Service Department at [Phone Number] or visit our website at [Website].

Sincerely,

[Servicer Name]
[Department Name]