

[Date]

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

Re: Loan Number: [Loan Number]

## **Subject: Annual Escrow Account Disclosure Statement - Cushion Summary**

Dear [Borrower Name],

This letter provides a summary of your escrow account cushion as required by the Real Estate Settlement Procedures Act (RESPA).

Under RESPA guidelines (12 CFR § 1024.17), a mortgage servicer is permitted to maintain a "cushion" in your escrow account to cover unanticipated disbursements or increases in property taxes and insurance premiums.

### **Escrow Cushion Summary:**

- **Required Cushion Amount:** \$[Amount] (Not to exceed 1/6th of the total estimated annual disbursements)
- **Estimated Total Annual Disbursements:** \$[Total Amount]
- **Number of Months of Cushion:** [Number, e.g., 2 months]

The cushion is calculated to ensure that the lowest balance in your escrow account during the next 12 months does not fall below the required amount. This prevents your account from reaching a zero balance or becoming overdrawn if your tax or insurance bills are higher than expected.

Please refer to the enclosed Annual Escrow Account Disclosure Statement for a detailed projection of your monthly payments, anticipated disbursement dates, and your new monthly mortgage payment.

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

Sincerely,

[Servicer Name]  
[Department Name]