

[Date]

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

Re: Loan Number: [Loan Number]

NOTICE OF REVISED ESCROW CUSHION REQUIREMENT

Dear [Borrower Name],

This letter serves as formal notification regarding a revision to the escrow cushion requirement for your mortgage loan. This adjustment is made in accordance with the Real Estate Settlement Procedures Act (RESPA), Regulation X.

Revised Cushion Amount: [Number of Months, e.g., Two Months]

Under federal law, lenders are permitted to maintain a cushion in your escrow account to cover unanticipated increases in property taxes and insurance premiums. This cushion ensures that sufficient funds are available to pay these bills when they become due.

Based on our most recent analysis of your escrow account, we have adjusted the required cushion to [Number] months of escrow disbursements. This change may result in an adjustment to your total monthly mortgage payment as reflected in your most recent Annual Escrow Account Disclosure Statement.

What this means for you:

- Your monthly escrow contribution will be updated to reflect this revised cushion.
- Your new total monthly payment will be \$[New Monthly Payment Amount].
- This change will take effect on [Effective Date].

Please review the enclosed Annual Escrow Account Disclosure Statement for a detailed breakdown of your projected payments and disbursements for the coming year.

If you have any questions regarding this adjustment or your escrow account, please contact our Customer Service Department at [Phone Number] or via email at [Email Address].

Sincerely,

[Lender/Service Name]
[Department Name]