

[Date]

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

Re: Loan Number: [Loan Number]

Dear [Borrower Name],

We recently completed an analysis of your escrow account. Due to changes in your [Property Taxes / Insurance Premiums], your account currently has a projected shortage of \$[Shortage Amount].

To keep your monthly payments as low as possible, we are offering you the option to voluntarily pay this shortage in full. If you choose to pay the shortage now, your new monthly mortgage payment will be \$[New Payment Amount] starting on [Date].

If you choose not to pay the shortage now, the balance will be spread over the next 12 months. This will increase your monthly payment to \$[Higher Payment Amount] to cover both the current shortage and the increase in future escrow costs.

**Payment Options:**

- **Option 1: Pay in Full.** Please send a check for \$[Shortage Amount] by [Due Date]. Please write "Escrow Shortage" and your loan number on the check.
- **Option 2: Spread over 12 months.** No action is required. Your monthly payment will automatically adjust on your next billing statement.

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

Sincerely,

[Your Name/Company Name]  
[Department Name]