

[Date]

[Loan Number]
[Property Address]

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

NOTICE OF OUTSTANDING ESCROW SHORTAGE

Dear [Borrower Name],

This letter serves as a formal notice regarding an outstanding shortage in your mortgage escrow account. Based on our recent analysis, your current escrow balance is insufficient to cover the projected disbursements for property taxes and/or insurance premiums.

Escrow Account Summary:

- Current Escrow Balance: \$[Amount]
- Required Minimum Balance: \$[Amount]
- **Total Shortage Amount: \$[Amount]**

To resolve this shortage, please select one of the following options:

Option 1: Pay in Full

Pay the total shortage amount of \$[Amount] by [Due Date]. Your monthly mortgage payment will only adjust based on changes to tax/insurance premiums, without the added shortage spread.

Option 2: Spread Over 12 Months

If no action is taken, the shortage will be divided by 12 and added to your monthly mortgage payments starting on [Date]. Your new monthly payment will be \$[New Total Payment Amount].

Please remit your payment to the address below or contact our Escrow Department at [Phone Number] if you have questions or would like to discuss a different repayment plan.

Sincerely,

[Lender/Service Name]
[Department Name]
[Contact Information]