URGENT: ESCROW SHORTAGE NOTICE

Date: [Insert Date]

To: [Homeowner Name]
Property Address: [Property Address]
Loan Number: [Loan Number]

Subject: Immediate Action Required - Escrow Shortage for Homeowners Insurance

Dear [Homeowner Name],

We are writing to inform you that your escrow account currently has a shortage due to an increase in your Homeowners Insurance premium. We recently received a renewal bill from [Insurance Company Name] that is higher than the previous year's amount.

To ensure there are sufficient funds to pay your insurance policy and maintain the required minimum balance in your account, your monthly mortgage payment will be adjusted.

Shortage Details:

- Current Escrow Balance: $[Amount]
- New Annual Insurance Premium: $[Amount]
- Total Escrow Shortage: $[Amount]

Your Options:

1. **Pay the shortage in full:** Make a one-time payment of $[Amount] by [Date] to keep your monthly mortgage payment from increasing significantly.

2. **Spread the shortage:** If no action is taken, the shortage will be divided over the next 12 months. Your new monthly mortgage payment will be $[New Amount] effective [Date].

Please contact our Escrow Department at [Phone Number] or [Email Address] to confirm how you would like to proceed or if you have updated insurance information.

Sincerely,

[Your Name/Department]
[Company Name]