FINAL REMINDER: ACTION REQUIRED

Date: [Current Date]

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

Subject: FINAL NOTICE - Escrow Shortage for Homeowners Insurance

Dear [Homeowner Name],

Our records indicate that we have not yet received payment or a response regarding the escrow shortage on your account. This shortage is the result of an increase in your homeowners insurance premiums.

Current Shortage Amount: $[Amount]

To ensure your mortgage account remains in good standing and to prevent a significant increase in your monthly mortgage payment, you must choose one of the following options by [Deadline Date]:

- **Option 1: Pay in Full.** Remit a one-time payment of $[Amount] to cover the shortage. Your monthly payment will only increase based on the new premium rate.
- **Option 2: Spread Payments.** If no action is taken, the shortage will be divided over the next 12 months. Your new monthly mortgage payment will be $[New Monthly Total] effective [Effective Date].

Please make your payment online at [Website URL] or mail a check payable to [Lender Name] to the address listed below. If you have already sent your payment, please disregard this notice.

Failure to address this shortage may result in an automated adjustment to your monthly installments as outlined in your mortgage agreement.

If you have questions, please contact our Escrow Department at [Phone Number] between [Hours of Operation].

Sincerely,

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