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November 10, 2006

«Names»
«Address»
«City», «State» «ZIPCode»

Dear «FirstNames»,

While the principal part of your monthly house payment will not change, we are required by the federal Real Estate Settlement Procedures Act (RESPA) of 1974 to annually review the escrow part to determine the impact of changes to the parts that make up your escrow payment, which is taxes and insurance.

We have just completed this analysis and found that your escrow account has a surplus of «Annual_Adjustment». Since your Mortgage Principal Account is current and this surplus is greater than \$50, you have two options:

Option 1: You may request that this surplus of «Annual_Adjustment» be applied to the principal of your house. If you choose this option and remain current on your payments, your home will be paid for «Principal_Months» months earlier than you planned.

Option 2: You may request that this surplus be returned to you by check.

For either option, the escrow part of your monthly payment may change to ensure we are in compliance with RESPA. Beginning «Effective_Date», the escrow amount will be «M_1MonthlyEscrow», and your total monthly payment of escrow and principal will be «M_1Total_Monthly_Payment».

Please indicate your choice by circling the option you would like and signing the second copy of this letter. This MUST be returned to us within 30 days of the date on this letter or we will assume that your choice is Option 2.

Enclosed is a Homeowner Mortgage Summary for your account, and a self addressed stamped envelope for the return of your choice.

If you have any questions, please don't hesitate to give us a call.

Sincerely,

A handwritten signature in cursive script that reads "Christine Watters".

Christine Watters
Office Manager