

Date: [Insert Date]

Borrower Name(s): [Insert Borrower Names]

Property Address: [Insert Property Address]

Loan Number: [Insert Loan Number]

Subject: NOTICE OF DEFAULT AND AVAILABLE ALTERNATIVES

Dear [Borrower Name],

This letter is to formally notify you that your mortgage loan is currently in default due to non-payment. As of [Date], your account is delinquent in the amount of \$[Amount].

We understand that financial hardships can occur. Before the foreclosure process progresses further, we want to inform you of potential alternatives that may help you stay in your home or exit the property without a full foreclosure. These options may include:

- **Loan Modification:** Adjusting the terms of your loan (such as interest rate or duration) to make monthly payments more affordable.
- **Repayment Plan:** Spreading out your past-due amount over a specific period added to your regular monthly payments.
- **Forbearance:** A temporary reduction or suspension of payments to provide time to improve your financial situation.
- **Short Sale:** Selling the property for less than the remaining mortgage balance with lender approval.
- **Deed-in-Lieu of Foreclosure:** Voluntarily transferring the ownership of the property to the lender to satisfy the debt.

To evaluate your eligibility for these options, you must submit a complete Loss Mitigation Application. Please contact our Homeownership Assistance Department at [Phone Number] or visit our website at [Website URL] to download the necessary forms.

Action Required: Please contact us no later than [Deadline Date] to discuss these alternatives. Failure to respond may result in the continuation of legal action and the eventual sale of your property.

You may also seek free assistance from a HUD-approved housing counseling agency by calling 1-800-569-4287.

Sincerely,

[Name of Representative]

[Department Name]

[Lender/Service Name]