

[Date]

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

Subject: Notice of Default and Available Loss Mitigation Options

Dear [Borrower Name],

Our records indicate that your mortgage loan account is currently in default due to non-payment. As of [Date], your account is past due in the amount of \$[Amount].

We understand that financial difficulties can occur, and we would like to offer assistance. You may be eligible for one of the following loan modification or loss mitigation options to help you avoid foreclosure:

- **Loan Modification:** Adjusting the terms of your loan (interest rate, term length, or principal balance) to make monthly payments more affordable.
- **Repayment Plan:** Spreading your past-due amount over a specific period added to your regular monthly payments.
- **Forbearance:** Temporarily reducing or suspending your payments for a set period.
- **Short Sale:** Selling your property for less than the remaining mortgage balance.
- **Deed-in-Lieu of Foreclosure:** Voluntarily transferring the ownership of your property to the lender to satisfy the debt.

To determine your eligibility, please submit a complete Loss Mitigation Application, including the following documents:

- Recent pay stubs or proof of income
- Last two years of federal tax returns
- Recent bank statements
- A hardship letter explaining your current financial situation

Please contact our Homeownership Preservation Department at [Phone Number] between the hours of [Hours of Operation] to discuss these options or to request an application packet. You may also visit our website at [Website URL].

Failure to take action may result in further collection efforts, including the commencement of foreclosure proceedings. We encourage you to contact us as soon as possible to resolve this matter.

Sincerely,

[Name of Contact Person/Department]
[Lending Institution Name]
[Phone Number]