

**Date:** [Date]

**To:** [Borrower Name(s)]

**Property Address:** [Property Address]

**Loan Number:** [Loan Number]

**RE: NOTICE OF DEFAULT AND SHORT SALE OPTION**

Dear [Borrower Name(s)],

This letter serves as formal notice that your mortgage loan is currently in default due to non-payment. As of [Date], your account is delinquent in the amount of \$[Total Past Due Amount].

We understand that financial hardships can occur. To avoid the completion of a foreclosure sale, we are offering you the option to pursue a **Short Sale**. A short sale allows you to sell your property for less than the total amount owed on the mortgage, provided the lender agrees to accept the proceeds of the sale as satisfaction of the debt.

**Benefits of a Short Sale may include:**

- Avoidance of a formal foreclosure on your credit history.
- Potential relocation assistance (if eligible).
- A more graceful transition out of the property.
- Release from personal liability for the remaining debt (subject to lender approval).

**Next Steps:**

To be considered for a short sale, you must submit a complete Loss Mitigation Application, which includes proof of income, bank statements, and a hardship letter. If you have already listed your home with a real estate agent, please provide us with their contact information immediately.

Please contact our Loss Mitigation Department at [Phone Number] no later than [Deadline Date] to discuss this option or to arrange payment to bring your account current.

Failure to respond to this notice may result in the continuation of the foreclosure process.

Sincerely,

[Your Name/Company Name]

[Department Name]

[Contact Phone Number]