

[Date]

[Seller's Name]
c/o [Listing Agent's Name]
[Property Address]

RE: Notice of Appraisal Shortfall and Request for Price Reduction - [Property Address]

Dear [Seller's Name/Listing Agent],

We are writing to provide an update regarding the financing process for the property located at [Property Address].

The independent appraisal report commissioned by the lender has been completed. The property appraised at \$[Appraised Value], which is \$[Difference Amount] below the agreed-upon purchase price of \$[Purchase Price].

As the lender will only provide financing based on the lower of the purchase price or the appraised value, a shortfall has been created that affects the buyer's ability to secure the necessary mortgage loan. To move forward with this transaction, we respectfully request that the purchase price be reduced to the appraised value of \$[Appraised Value].

The buyer remains very interested in purchasing your home and would like to proceed to closing. However, this adjustment is necessary to satisfy the lender's requirements and fulfill the appraisal contingency outlined in our agreement.

Please let us know by [Date/Time] if you are willing to execute an amendment to the contract reflecting this new purchase price. We look forward to your response so we may continue toward a successful closing.

Sincerely,

[Buyer's Name]
[Buyer's Agent Name]
[Phone Number]
[Email Address]