

[Date]

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

Subject: Comparison of Options Following Loan Modification Denial - Loan Number: [Loan Number]

Dear [Borrower Name],

We are writing to follow up on the recent denial of your loan modification request. While you do not qualify for a modification at this time, we want to help you understand your remaining options to resolve your mortgage debt and avoid the long-term consequences of a foreclosure.

Below is a comparison between a Short Sale and a Foreclosure to assist you in making an informed decision:

Feature	Short Sale	Foreclosure
Credit Impact	Generally less severe than a foreclosure; reported as "settled for less than full balance."	Significant negative impact; remains on credit report for up to 7 years.
Future Financing	You may be eligible for a new mortgage in as little as 2 years.	You may be ineligible for a new mortgage for 5 to 7 years.
Deficiency Debt	The lender may agree to waive the remaining balance owed.	The lender may pursue a deficiency judgment for the remaining balance.
Relocation Assistance	You may qualify for financial assistance to help with moving costs.	No financial assistance is provided.
Control	You participate in the sale process and choose your move-out date.	The bank controls the process and eviction is enforced by the court.

Next Steps:

If you wish to pursue a Short Sale, please contact our Loss Mitigation Department at [Phone Number] by [Date]. We can discuss the requirements for listing your property and the documents needed to begin the process.

Sincerely,

[Sender Name]
[Company Name]
[Contact Information]