[Date]

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

RE: NOTICE OF POLICY DEFAULT AND PENDING CANCELLATION

Policy Number: [Policy Number]
Mortgage Loan Number: [Loan Number]

Dear [Homeowner Name],

This letter is to inform you that your homeowners insurance policy is currently in default due to non-payment of premiums. Our records indicate that the expected payment from your mortgage escrow account has not been received for the current billing cycle.

As a result, your coverage is scheduled to lapse on **[Cancellation Date]**. To prevent a gap in coverage and a possible breach of your mortgage agreement, please take one of the following actions immediately:

- Contact your mortgage lender to ensure the disbursement of funds from your escrow account.
- Provide proof of payment if the premium has been settled recently.
- Submit a direct payment to our office to maintain active coverage.

Please note that if your policy cancels, your lender may "force-place" insurance on your property, which is often significantly more expensive and provides less coverage than your current policy.

If you have already addressed this payment or have switched providers, please notify us immediately at [Phone Number] or [Email Address].

Sincerely,

[Your Name/Company Name]
[Contact Information]