

Date: [Current Date]

Subject: Notice of Account Charge-Off

Account Number: [HELOC Account Number]

Property Address: [Collateral Property Address]

Dear [Borrower Name],

This letter is to formally notify you that your Home Equity Line of Credit (HELOC) account with [Financial Institution Name] has been charged off as of [Date].

Despite previous attempts to resolve your past-due balance, the account remains severely delinquent. As a result, we have closed your line of credit to any future draws and have recorded the outstanding balance as a loss for accounting purposes.

Current Status of Your Account:

- **Total Charged-Off Amount:** \$[Amount]
- **Reporting:** This status may be reported to national credit reporting agencies, which may negatively impact your credit score.
- **Lien Status:** Please be advised that the charge-off does not release the lien held against your property. The mortgage or deed of trust remains in effect.

Next Steps:

Although the account has been charged off, you are still legally responsible for the debt. We may refer this account to a third-party collection agency or pursue further legal action to satisfy the debt, which may include foreclosure proceedings.

If you wish to resolve this matter or discuss a settlement, please contact our Collections Department immediately at [Phone Number] between the hours of [Operating Hours].

Sincerely,

[Sender Name/Department]

[Financial Institution Name]

[Contact Information]