

DATE: [Insert Date]

BORROWER NAME: [Insert Borrower Name]

PROPERTY ADDRESS: [Insert Property Address]

LOAN NUMBER: [Insert Loan Number]

RE: NOTICE OF LOSS MITIGATION FAILURE AND COMMENCEMENT OF FORECLOSURE

Dear [Insert Borrower Name],

This letter is to formally notify you that your application for loss mitigation assistance regarding the above-referenced loan has been denied or the loss mitigation process has otherwise failed to result in a workout solution.

Reason for Failure:

[Insert Reason, e.g., Incomplete application / Failure to meet eligibility requirements / Default on trial payment plan / Expiration of offer]

Because a formal loss mitigation agreement has not been finalized and your loan remains in default, we are now proceeding with the foreclosure process to recover the debt owed. Please be advised of the following:

- **Foreclosure Proceedings:** Legal action is being initiated to sell the property at a foreclosure sale.
- **Total Amount Due:** As of [Date], the total amount required to bring your loan current is \$[Amount].
- **Right to Appeal:** If your application was denied, you may have the right to appeal this decision within [Number] days of the date of this letter.

Even though foreclosure proceedings have commenced, you may still have options to avoid the loss of your home, such as a short sale or a deed-in-lieu of foreclosure. We encourage you to contact us immediately at [Phone Number] or visit [Website] to discuss any remaining alternatives.

You may also seek assistance from a HUD-approved housing counselor by calling 1-800-569-4287.

Sincerely,

[Your Name/Company Name]

[Department Name]

[Contact Information]