SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

To: [Borrower Name]
[Borrower Address]
[City, State, Zip Code]

Re: Notice of Default and Intent to Foreclose

Loan Number: [Insert Loan Number]
Property Address: [Insert Property Address]
Lender: [Insert Lender Name]

Dear [Borrower Name],

This letter serves as formal notice that you are in default of the Loan Agreement and Deed of Trust/Mortgage associated with the above-referenced property. Specifically, you have failed to maintain the required Debt Service Coverage Ratio (DSCR) of [Insert Required Ratio, e.g., 1.25x] as stipulated in Section [Insert Section Number] of your loan documents.

Based on the financial statements provided for the period ending [Insert Date], the calculated DSCR is currently [Insert Current Ratio]. This constitutes a non-monetary Event of Default.

ACTION REQUIRED TO CURE DEFAULT:

To prevent the acceleration of the loan and the initiation of foreclosure proceedings, you are required to perform the following action(s) by [Insert Cure Deadline Date]:

- Provide a capital injection or pay down the principal balance in the amount of $[Insert Amount] to restore the DSCR to the required level.
- [Optional: Provide an updated Rent Roll and Profit & Loss statement showing corrected performance.]

Failure to cure this default by the date specified above will result in the Lender exercising its legal rights, which may include:

1. Accelerating the full balance of the loan, making the entire unpaid principal and interest due immediately.
2. Commencing foreclosure proceedings against the property.
3. Appointing a receiver to manage the property and collect rents.

Please contact the undersigned at [Insert Phone Number] or [Insert Email Address] immediately to discuss your intentions regarding this default.

Sincerely,

[Name of Authorized Signatory]
[Title]
[Lender/Servicer Name]