

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]

Dear [Borrower Name],

This letter serves as formal notice that you are in default of your Construction Loan Agreement dated [Date of Agreement]. Specifically, you have failed to comply with the terms governing Draw Requests and Project Completion milestones.

Nature of Default:

As of [Date], the following defaults have occurred:

- Failure to provide required documentation for Draw Request #[Number].
- Failure to maintain the construction schedule as outlined in the budget and timeline.
- [Insert other specific breach, e.g., Mechanics Liens filed against property or diversion of funds].

Total Amount to Cure:

To bring this loan current and stop further legal action, you are required to pay the following amount by [Deadline Date, e.g., 30 days from notice]:

Past Due Principal/Interest: \$[Amount]

Late Fees/Penalties: \$[Amount]

Inspection/Legal Fees: \$[Amount]

TOTAL REQUIRED TO CURE: \$[Total Amount]

Required Actions:

In addition to the payment above, you must provide:

- Updated Lien Waivers from all subcontractors.
- Proof of [Specific Requirement, e.g., Foundation Inspection].

Failure to cure the default by [Deadline Date] will result in the Lender exercising its rights under the Deed of Trust and Promissory Note. This includes, but is not limited to, accelerating the full balance of the loan and initiating foreclosure proceedings against the property.

Please contact [Contact Name] at [Phone Number] or [Email] immediately to discuss the status of your account.

Sincerely,

[Your Name/Representative Name]
[Lending Institution Name]
[Contact Information]