

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Date]

To: [Lending Institution Name]
Attn: Construction Loan Department / Loan Officer
[Lender Address]
[City, State, Zip Code]

RE: NOTICE OF BREACH AND STOP DRAW ORDER

Loan Number: [Loan Number]
Project Name: [Project Name]
Property Address: [Property Address]

To Whom It May Concern,

I am writing this letter to formally notify [Lending Institution Name] of a material breach regarding the construction loan agreement for the above-referenced project. Pursuant to the terms of our agreement, I am hereby issuing a formal **STOP DRAW NOTICE** effective immediately.

The reason for this notice is as follows: [Insert specific reason, e.g., Contractor failure to complete work, unauthorized disbursement requests, discovery of mechanics' liens, or violation of specific loan covenant].

In accordance with this notice, I demand that the Lender:

- Immediately cease all further disbursements or funding of draws to [Contractor Name] or any third party.
- Provide a complete accounting of all funds disbursed to date.
- Refrain from releasing further funds until I provide written authorization or until the following conditions are met: [Insert conditions to resume draws].

Failure to comply with this Stop Draw Notice may result in the Lender being held liable for unauthorized disbursements and further damages resulting from the breach of the loan agreement.

Please confirm receipt of this letter in writing and acknowledge that all future draws have been suspended.

Sincerely,

[Your Signature]
[Your Printed Name]
[Your Title, if applicable]

[Your Phone Number]

[Your Email Address]

CC: [Contractor Name / Legal Counsel]