

[Date]

[Recipient Name]

[Recipient Title]

[Organization Name]

[Address Line 1]

[Address Line 2]

RE: Formal Notification of Model Validation and Backtesting Results - [Model Name/ID]

Dear [Recipient Name],

This letter serves as formal notification regarding the completion of the validation and backtesting procedures for the following model:

- **Model Name:** [Insert Name]
- **Model Version:** [Insert Version Number]
- **Validation Period:** [Start Date] to [End Date]
- **Validation Objective:** [Briefly state purpose, e.g., Annual Review/Regulatory Compliance]

1. Executive Summary of Findings

The validation process involved an independent review of the model's conceptual soundness, data integrity, and implementation. Based on the testing performed, the model is currently rated as: **[Pass / Pass with Exceptions / Fail]**.

2. Backtesting Results

Backtesting was conducted using historical data to compare model-predicted outcomes against actual observed results.

- **Performance Metric 1:** [Result, e.g., Root Mean Square Error]
- **Performance Metric 2:** [Result, e.g., Accuracy Percentage]
- **Outlier Analysis:** [Briefly note if any breaches occurred]

3. Identified Limitations and Remediation

[List any limitations or conditions under which the model may underperform. If exceptions were noted, list the required remediation steps and expected completion dates.]

4. Conclusion and Recommendations

[Provide final recommendation, e.g., Approved for continued use / Requires immediate recalibration.]

The full technical validation report is attached for your detailed review. Please contact the Model Risk Management department if you require further clarification.

Sincerely,

[Your Signature]

[Your Name]

[Your Title]

[Department Name]