[Date]

[Borrower Name]
[Co-Borrower Name]
[Property Address]
[City, State, Zip Code]

RE: Notice of Denial - Deed in Lieu of Foreclosure
Loan Number: [Loan Number]

Dear [Borrower Name],

Thank you for your interest in a Deed in Lieu of Foreclosure as an alternative to foreclosure. After reviewing your request and your current account status, we are unable to approve your application for a Deed in Lieu of Foreclosure at this time.

Reason for Denial:
Your application was denied because there is currently an active Loan Modification offer or trial period plan in progress. Our guidelines state that we cannot process a Deed in Lieu of Foreclosure while a borrower is actively pursuing or participating in a loss mitigation option intended to retain the property.

Next Steps:

- If you wish to keep the property, please continue with the terms of your active Loan Modification or Trial Period Plan.
- If you no longer wish to keep the property and prefer to pursue a Deed in Lieu of Foreclosure, you must provide a written statement requesting to withdraw your Loan Modification application or cancel the current offer.

Once the active modification process is officially closed or withdrawn, you may re-apply for a Deed in Lieu of Foreclosure, subject to a new eligibility review and property valuation.

If you have any questions regarding this decision, please contact our Loss Mitigation Department at [Phone Number] between the hours of [Operating Hours].

Sincerely,

[Name of Representative]
[Title]
[Lender/Servicer Name]