

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Notice of Denial for Deed in Lieu of Foreclosure

Loan Number: [Insert Loan Number]

Property Address: [Insert Property Address]

Dear [Borrower Name],

We are writing to formally notify you that your request for a Deed in Lieu of Foreclosure regarding the above-referenced property has been denied at this time.

After performing a thorough environmental assessment and property inspection, the following environmental hazard(s) were discovered:

[Insert description of hazard, e.g., lead contamination, underground storage tanks, chemical runoff, etc.]

Per the guidelines of our loss mitigation policy, the presence of these environmental hazards creates significant liability and remediation concerns that prevent us from accepting the title to the property. As a result, we are unable to proceed with the Deed in Lieu process.

Please be advised that this decision does not relieve you of your obligations under the terms of your Mortgage or Deed of Trust. We recommend that you contact a qualified environmental professional to discuss remediation options or explore other loss mitigation alternatives, such as a Short Sale, if applicable.

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

Sincerely,

[Name of Representative]

[Title]

[Lender/Service Name]