

[Date]

[Borrower Name]

[Co-Borrower Name]

[Property Address]

[City, State, Zip Code]

Re: Loan Number: [Insert Loan Number]

Dear [Borrower Name],

Thank you for your recent application for a Deed in Lieu of Foreclosure regarding the property located at [Property Address]. After a thorough review of your file, we regret to inform you that your request has been denied for the following reason:

**Failure to Vacate Premises:** One of the primary requirements for a Deed in Lieu of Foreclosure is that the property must be vacant and clear of all personal belongings and debris prior to the transfer of the deed. Our records and/or recent inspection indicate that the property remains occupied.

As a result of this denial, the foreclosure process will continue as scheduled. To avoid foreclosure, you must immediately address the occupancy status and contact our loss mitigation department to discuss any potential remaining options or to provide proof that the property has been vacated.

If you have questions regarding this decision, please contact our Mortgage Servicing Department at [Phone Number] between the hours of [Hours of Operation].

Sincerely,

[Name of Representative]

[Department Name]

[Lender/Servicer Name]