[Date]

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

RE: Notice of Rejection - Deed in Lieu of Foreclosure Application
Loan Number: [Insert Loan Number]

Dear **[Borrower Name]**,

Thank you for submitting your application for a Deed in Lieu of Foreclosure regarding the property located at **[Property Address]**. We have completed a formal review of your request and the current market valuation of the property.

At this time, we are unable to accept your request for a Deed in Lieu of Foreclosure for the following reason:

Insufficient Property Value: Based on a recent **[Appraisal / Broker Price Opinion]**, the current fair market value of the property is significantly lower than the total outstanding balance of the loan and associated costs. The resulting deficiency exceeds the acceptable limits required for our loss mitigation programs.

As a result of this decision, your account remains subject to the original terms of your mortgage agreement. If your loan is currently in default, the foreclosure process will continue or may be initiated.

We encourage you to explore other options that may be available to you, such as:

- A Short Sale (if a buyer can be secured)
- A Loan Modification
- A Formal Repayment Plan

If you have questions regarding this decision or wish to discuss other alternatives, please contact our Loss Mitigation Department at **[Phone Number]** between the hours of **[Hours of Operation]**.

Sincerely,

[Sender Name]
[Title]
[Financial Institution Name]