Date: [Date]

To: [Borrower Name(s)]
Property Address: [Property Address]
Loan Number: [Loan Number]

Subject: DENIAL OF DEED IN LIEU OF FORECLOSURE - MISSING HOA CLEARANCE

Dear [Borrower Name],

We are writing to inform you that your request for a Deed in Lieu of Foreclosure regarding the property located at the address above has been denied at this time.

The denial is based on the following requirement:

Missing Homeowner Association (HOA) Clearance: To proceed with a Deed in Lieu of Foreclosure, the title must be clear of all liens and encumbrances. Our records indicate that we have not received a formal payoff statement or a letter of clearance from your Homeowner Association confirming that all dues, assessments, and related fees are paid in full.

We cannot accept the deed to the property while an outstanding HOA balance or lien remains, as this prevents the transfer of a clear and marketable title.

Next Steps:
To reconsider your application, you must provide the following within [Number] days of this letter:

- A current account statement from your HOA.
- Written confirmation that all outstanding HOA balances have been settled, or a payoff demand that can be satisfied at closing.

Failure to provide this documentation may result in the resumption of foreclosure proceedings. Please contact your HOA representative immediately to resolve this matter.

If you have any questions, please contact our Loss Mitigation Department at [Phone Number].

Sincerely,

[Your Name/Company Name]
[Department Name]