[Date]

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

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

Dear **[Borrower Name]**,

Thank you for submitting your application for a Deed in Lieu of Foreclosure. After a thorough review of your request and the associated title report for the property located at **[Property Address]**, we regret to inform you that your request has been denied at this time.

The denial is based on the following unresolved title defect(s):

- **[Specific Description of Title Issue, e.g., Unpaid Tax Lien]**
- **[Specific Description of Title Issue, e.g., Junior Mortgage/Judgment Lien]**
- **[Specific Description of Title Issue, e.g., Cloud on Title/Ownership Dispute]**

To qualify for a Deed in Lieu of Foreclosure, the title to the property must be clear and marketable. Our policy requires the removal of all secondary liens, judgments, or legal encumbrances prior to the transfer of the property to the servicer.

If you are able to resolve these title defects and provide legal documentation proving the issues have been cleared (such as a Release of Lien or Satisfaction of Judgment), we will be happy to reconsider your application. Please submit any supporting documentation to **[Department Name/Contact Method]** by **[Date]**.

Please note that this decision does not stop any currently scheduled foreclosure proceedings. You remain responsible for the obligations under your mortgage until a final resolution is reached.

If you have questions regarding this notice or wish to discuss other possible loss mitigation options, please contact our Home Preservation Department at **[Phone Number]** between the hours of **[Hours of Operation]**.

Sincerely,

[Name of Sender/Company Representative]
[Department Name]
[Lender/Servicer Name]