

[Date]

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

RE: NOTICE OF BREACH OF LOAN-TO-VALUE (LTV) COVENANT

Dear [Borrower Name],

This letter serves as formal notice regarding the loan facility dated [Date of Loan Agreement] (the "Agreement") between [Lender Name] (the "Lender") and [Borrower Name] (the "Borrower").

Pursuant to Section [Section Number] of the Agreement, the Borrower is required to maintain a Loan-to-Value (LTV) ratio not exceeding [Percentage]%. Based on our most recent valuation conducted on [Date of Valuation], the current value of the collateral is [Collateral Value]. Consequently, the current LTV ratio stands at [Current LTV]%, which exceeds the permitted threshold.

This constitutes a breach of the LTV covenant. To remedy this breach and bring the loan back into compliance, you are required to perform one of the following actions by [Deadline Date]:

- Provide additional collateral acceptable to the Lender to reduce the LTV ratio; or
- Make a principal prepayment in the amount of [Amount] to reduce the outstanding loan balance.

Please contact [Contact Name] at [Phone Number/Email] immediately to discuss your plan for rectification. Failure to remedy this breach within the specified timeframe may result in the Lender exercising its rights and remedies under the Agreement, including the declaration of an Event of Default.

This letter is sent without prejudice to any other rights or remedies available to the Lender under the Agreement or applicable law.

Sincerely,

[Signature]
[Name of Authorized Signatory]
[Title]
[Lender Name]