

[Date]

[Recipient Name/Regulator Name]

[Department/Division]

[Address]

[City, State, Zip Code]

RE: Notice of Self-Disclosure - Systemic Loan Origination Software Calculation Error

Dear [Recipient Name],

This letter serves as a formal self-disclosure by [Financial Institution Name] regarding a systemic calculation error identified within our Loan Origination Software (LOS), [Software Name/Version].

1. Description of the Error

On [Date], our internal [Audit/Compliance] team identified a technical glitch in the LOS logic related to [specific calculation, e.g., APR calculation, Finance Charge, or Prepaid Interest]. The error was caused by [brief description of root cause, e.g., a software update or incorrect field mapping].

2. Scope and Impact

The error occurred between [Start Date] and [End Date]. Our preliminary investigation indicates:

- Total Number of Affected Loans: [Number]
- Types of Loans Impacted: [e.g., Residential Mortgages, Auto Loans]
- Financial Impact: [e.g., Total overcharge amount or disclosure variance percentage]

3. Corrective Actions Taken

Upon discovery, [Financial Institution Name] took the following steps:

- Immediate suspension of the affected software module on [Date].
- Implementation of a software patch provided by the vendor on [Date].
- Manual verification of all pending applications to ensure accuracy.

4. Remediation Plan

We are committed to rectifying this issue for all impacted consumers. Our remediation plan includes:

- Issuing corrected disclosures to all affected borrowers by [Date].
- Providing refunds or principal balance adjustments totaling \$[Amount] by [Date].
- Enhancing our quarterly UAT (User Acceptance Testing) protocols for all software updates.

We are available to discuss this matter further and will provide a final report upon the completion of our remediation efforts. Please contact [Contact Name] at [Phone Number] or [Email Address] with any questions.

Sincerely,

[Signature]

[Name of Authorized Officer]

[Title]

[Financial Institution Name]