

[Date]

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

RE: Notice of Asset Quality Deterioration - Account No: [Account Number]

Dear [Borrower Name],

This letter serves as formal notification regarding the recent review of the collateral and financial performance associated with the above-referenced account. Based on our latest assessment, we have identified a significant deterioration in the asset quality.

Specifically, the following issues have been noted:

- [Detail 1: e.g., Decline in market value of collateral]
- [Detail 2: e.g., Breach of financial covenants]
- [Detail 3: e.g., Deterioration of debt service coverage ratio]

As a result of this change in risk profile, [Institution Name] requires a formal meeting to discuss a remediation plan. Please be advised that this deterioration may impact your current credit rating with our institution and may require additional collateral or adjusted repayment terms.

We request that you provide the following documentation by [Date]:

- Updated Financial Statements
- Current Asset Appraisal/Valuation
- A written explanation of the circumstances leading to this decline

Please contact [Relationship Manager Name] at [Phone Number] or [Email Address] within [Number] business days to schedule a review meeting.

Sincerely,

[Your Name]
[Your Title]
[Institution Name]