

Date: [Insert Date]

To: [Recipient Name/Board of Directors]

Institution: [Name of Financial Institution]

Address: [Insert Address]

Subject: Notice of Capital Adequacy Deficiency

Dear [Name],

This letter serves as formal notification regarding the capital position of [Institution Name] as of the reporting period ending [Date].

Following a review of the financial statements and regulatory filings, it has been determined that the institution's capital ratios have fallen below the minimum requirements established by [Name of Regulatory Body]. Specifically, the following deficiencies have been identified:

- **Common Equity Tier 1 Capital Ratio:** Actual: [Percentage]% (Requirement: [Percentage]%)
- **Tier 1 Risk-Based Capital Ratio:** Actual: [Percentage]% (Requirement: [Percentage]%)
- **Total Risk-Based Capital Ratio:** Actual: [Percentage]% (Requirement: [Percentage]%)
- **Leverage Ratio:** Actual: [Percentage]% (Requirement: [Percentage]%)

As a result of this deficiency, [Institution Name] is now classified as [Insert Status, e.g., Undercapitalized] under the Prompt Corrective Action framework. You are required to take immediate action to restore capital to levels compliant with regulatory standards.

Required Actions:

1. Submit a formal Capital Restoration Plan (CRP) no later than [Insert Date].
2. Identify specific sources of immediate capital injection.
3. Adhere to limitations on asset growth, dividends, and management fees as outlined in [Reference Regulation].

Failure to address this deficiency within the specified timeframe may result in further enforcement actions, including but not limited to, the issuance of a Cease and Desist Order or the appointment of a conservator/receiver.

Please acknowledge receipt of this letter and direct all correspondence regarding the Capital Restoration Plan to [Name/Department].

Sincerely,

[Your Name/Signature]

[Your Title]

[Regulatory Agency/Organization Name]