

[Date]

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

Subject: Advisory Regarding Property Collateral Valuation - Loan Account: [Account Number]

Dear [Borrower Name],

This letter is to inform you that a recent valuation assessment has been conducted on the property located at [Property Address], which serves as collateral for your existing loan with [Lending Institution Name].

Based on our latest market analysis, the current estimated value of the property has decreased to [Current Value]. As a result, the Loan-to-Value (LTV) ratio of your account has increased beyond the threshold specified in your loan agreement.

Current Status:

- Original Appraised Value: [Original Value]
- Current Market Value: [Current Value]
- Current Outstanding Balance: [Balance Amount]
- New Loan-to-Value Ratio: [Percentage]%

At this stage, this letter is for advisory purposes only. However, please be aware that a significant decline in collateral value may impact your eligibility for future credit facilities, interest rate adjustments, or may require corrective actions if the value falls below the minimum regulatory requirements.

We recommend the following options to improve your loan position:

- Making a voluntary principal reduction payment to lower the LTV ratio.
- Providing additional collateral to secure the loan.
- Reviewing your property for any improvements that may increase its market value.

If you have any questions regarding this assessment or wish to discuss your account, please contact your Relationship Manager at [Phone Number] or via email at [Email Address].

Sincerely,

[Signature]
[Sender Name]
[Job Title]
[Lending Institution Name]