

Date: [Insert Date]

To:

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

Loan Account Number: [Insert Account Number]

Subject: FINAL WARNING - BREACH OF LOAN-TO-VALUE (LTV) RATIO

Dear [Borrower Name],

This letter serves as a final formal notice regarding the Loan-to-Value (LTV) ratio of your credit facility. Despite our previous communications dated [Date of First Notice] and [Date of Second Notice], your account remains in breach of the agreed-upon LTV covenant.

Pursuant to the terms of your Loan Agreement, you are required to maintain a maximum LTV ratio of [Insert Required %]. Based on the current market valuation of [Insert Value of Collateral] and your outstanding balance of [Insert Loan Balance], your current LTV ratio is **[Insert Current %]**.

Immediate Action Required:

To rectify this breach, you must perform one of the following actions by no later than **[Insert Deadline Date/Time]**:

- Make a principal repayment of [Insert Amount] to reduce the loan balance.
- Provide additional collateral acceptable to the lender with a minimum value of [Insert Amount].

Consequences of Non-Compliance:

Failure to restore the LTV ratio to the required limit by the deadline stated above will constitute a formal Event of Default. Under such circumstances, the lender reserves the right to exercise its legal remedies without further notice, which may include:

- Immediate acceleration of the full loan amount.
- Liquidation of the pledged collateral to recover the outstanding debt.
- Suspension of further credit draws.

Please contact the undersigned immediately at [Insert Phone Number] or [Insert Email Address] to confirm your intended course of action.

Sincerely,

[Your Name/Authorized Signature]
[Your Title]
[Institution Name]