

Date: [Insert Date]

To: [Borrower Name]

Address: [Borrower Address]

Account Number: [Insert Account Number]

Subject: SECOND WARNING: SUSTAINED COLLATERAL DEPRECIATION

Dear [Borrower Name],

We are writing to follow up on our previous notice dated [Date of First Warning] regarding the significant and sustained depreciation in the market value of the collateral securing your loan, specifically [Description of Collateral].

As of [Current Date], the estimated market value of the collateral is [Current Value], which has resulted in a Loan-to-Value (LTV) ratio of [Current LTV%]. This exceeds the maximum allowable threshold of [Required LTV%] stipulated in your loan agreement.

Despite our initial notification, the required margin has not been restored. This letter serves as your **second and final warning** before formal recovery actions are initiated.

To bring your account back into compliance, you are required to take one of the following actions by [Deadline Date]:

- Provide a cash payment of [Amount] to reduce the outstanding principal balance.
- Pledge additional eligible collateral to cover the current shortfall.
- Provide an updated certified appraisal if you believe the current valuation is inaccurate.

Please be advised that failure to rectify this deficiency by the aforementioned deadline may result in a formal Default Notice, the liquidation of the collateral, or the acceleration of the full loan balance.

Please contact our Risk Management Department at [Phone Number] or [Email Address] immediately to discuss your options.

Sincerely,

[Name of Sender]

[Title]

[Institution Name]