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URGENT: WARNING OF INSUFFICIENT COLLATERAL COVERAGE

Date: [Insert Date]

To: [Borrower Name]

Address: [Insert Address]

Account Number: [Insert Account Number]

Dear [Borrower Name],

This is a formal notice to inform you that the market value of the collateral securing your loan has fallen below the required threshold specified in your agreement. As of [Insert Date], your current Loan-to-Value (LTV) ratio is [Insert Current %], which exceeds the maximum allowable limit of [Insert Required %].

To restore your account to good standing and prevent further action, you are required to take one of the following steps by [Insert Deadline Time/Date]:

- Deposit additional funds or eligible assets totaling [Insert Amount] into your collateral account.
- Make a principal repayment of [Insert Amount] to reduce the outstanding loan balance.

Warning: Failure to address this deficiency by the specified deadline may result in the immediate liquidation of your existing collateral assets without further notice to cover the shortfall. Please note that you remain responsible for any remaining balance should the liquidation proceeds be insufficient to cover your debt.

If you have already taken action to rectify this imbalance, please disregard this letter. Otherwise, please contact the [Insert Department Name] at [Insert Phone Number] or [Insert Email Address] immediately.

Sincerely,

[Your Name/Company Name]

[Your Title]

[Contact Information]