

Date: [Insert Date]

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

Subject: Notice of Loan Modification Decision

Dear [Borrower Name],

We have completed our review of your request for a mortgage loan modification. After carefully evaluating your financial documentation, we are unable to offer you a modification at this time.

Reason for Denial: Excessive Debt-to-Income Ratio

Our decision is based on the fact that your monthly debt obligations compared to your gross monthly income (Debt-to-Income Ratio) exceed the allowable limits set by our program guidelines. Based on the financial information provided, your current debt level makes a sustainable modified payment plan unaffordable under our required criteria.

Your Financial Information Used in Our Calculation:

- Monthly Gross Income: \$[Amount]
- Total Monthly Debt Payments: \$[Amount]
- Calculated Debt-to-Income Ratio: [Percentage]%

Next Steps and Right to Appeal

If you believe there is an error in the financial information used for this calculation, you have the right to appeal this decision. You must submit your appeal in writing within [Number] days from the date of this letter.

Additionally, you may wish to explore other options such as:

- A short sale of the property.
- A deed-in-lieu of foreclosure.
- Housing counseling services via HUD.

If you have any questions regarding this notice, please contact our Loss Mitigation Department at [Phone Number] during normal business hours.

Sincerely,

[Name of Representative]
[Lender/Service Name]
[Department Name]