

[Date]

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

Re: Loan Number: [Insert Loan Number]

Dear [Borrower Name],

Thank you for contacting [Lender/Service Name] regarding a mortgage loan modification. We have carefully reviewed your application and the financial documentation provided.

After a thorough evaluation, we are unable to offer you a loan modification at this time. This decision was based on the results of a Net Present Value (NPV) test.

Reason for Denial: Negative Net Present Value (NPV) Result

The NPV test is a financial calculation used to compare the expected cash flow from a modified loan against the cash flow from the loan if it is not modified. In your specific case, the NPV result was negative. This means that the cost of modifying the loan exceeds the expected financial benefit to the owner of your mortgage.

The following variables were used in our NPV calculation:

- Property Value: \$[Amount]
- Unpaid Principal Balance: \$[Amount]
- Gross Monthly Income: \$[Amount]
- Monthly Debt Obligations: \$[Amount]
- Discount Rate: [Percentage]%

If you believe any of the data used in this calculation is incorrect, you have the right to dispute the accuracy of this information. Please contact us within 30 days of the date of this letter to provide updated documentation.

While we cannot proceed with a modification, other options may be available to help you avoid foreclosure, such as:

- Short Sale
- Deed-in-Lieu of Foreclosure
- Forbearance Plan

If you have questions regarding this decision or wish to discuss alternative options, please contact our Loss Mitigation Department at [Phone Number] between the hours of [Hours of Operation].

Sincerely,

[Name of Representative]

[Title]

[Lender/Service Name]