

**Date:** [Insert Date]

**Lender Name:** [Insert Lender Name]

**Lender Address:** [Insert Lender Address]

**Loan Number:** [Insert Loan Number]

**Borrower Name:** [Insert Borrower Name]

**Property Address:** [Insert Property Address]

## **Subject: Deed in Lieu of Foreclosure Payoff Agreement**

Dear [Insert Contact Name or Department],

This letter serves as a formal agreement regarding the Deed in Lieu of Foreclosure for the property located at the address referenced above. This agreement outlines the terms under which the Borrower will voluntarily transfer the title of the property to the Lender to satisfy the outstanding mortgage debt.

**1. Transfer of Title:** The Borrower agrees to execute a Deed in Lieu of Foreclosure, transferring all interest in the property to the Lender or its designee.

**2. Full Satisfaction of Debt:** Upon the successful recording of the deed and the Borrower's vacation of the property, the Lender agrees to accept the property in full satisfaction of the total debt owed, including principal, interest, and late fees. The Borrower shall be released from all personal liability regarding the mortgage note.

**3. Waiver of Deficiency:** The Lender expressly waives any right to pursue a deficiency judgment against the Borrower for the difference between the property value and the outstanding loan balance.

**4. Property Condition:** The Borrower agrees to leave the property in "broom clean" condition, free of personal belongings and debris, and to provide all keys and access codes to the Lender by [Insert Date].

**5. Cash for Keys (Optional):** Upon successful inspection and completion of the transfer, the Lender agrees to pay the Borrower a relocation incentive in the amount of \$[Insert Amount].

**6. Credit Reporting:** The Lender will report the status of the account to credit bureaus as "Settled for less than full balance" or "Deed in Lieu of Foreclosure," as required by law.

Please acknowledge your acceptance of these terms by signing below and returning a copy of this letter.

Sincerely,

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[Borrower Signature]

**Agreed to by Lender:**

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[Authorized Representative Signature]

[Date]