

**Date:** [Current Date]

**Loan Number:** [Loan Number]

**Property Address:** [Property Address]

**Borrower(s):** [Borrower Name(s)]

**RE: Principal Reduction Modification Payoff Statement**

Dear [Borrower Name(s)],

This letter serves as the official payoff statement regarding the Principal Reduction Modification agreement dated [Date of Agreement]. As of [Date], the following figures represent the total amount required to satisfy the terms of your mortgage and release the lien on the property.

**Payoff Calculation:**

- Current Unpaid Principal Balance: \$[Amount]
- Deferred Principal Balance (to be forgiven/reduced): \$[Amount]
- Accrued Interest: \$[Amount]
- Escrow Advances (Taxes/Insurance): \$[Amount]
- Outstanding Fees/Late Charges: \$[Amount]
- **Total Payoff Amount: \$[Total Amount]**

**Good Through Date:** [Date]

Please note that the "Deferred Principal Balance" listed above will be formally forgiven upon receipt of the "Total Payoff Amount" in certified funds on or before the Good Through Date. If payment is received after this date, per diem interest of \$[Amount] will be added for each additional day.

**Instructions for Payment:**

Payment must be made via Wire Transfer or Certified Funds. Please use the following instructions:

Bank Name: [Bank Name]

Routing Number: [Routing Number]

Account Number: [Account Number]

Reference: [Loan Number / Borrower Name]

Upon verification of the full payoff amount, [Lender Name] will initiate the process to release the mortgage lien and will report the status to the relevant credit reporting agencies as "Paid in Full."

Sincerely,

[Name of Representative]

[Department Name]

[Lender/Service Name]

[Phone Number]