

**[Lender Name]**  
[Lender Address]  
[City, State, Zip Code]

**[Date]**

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

**RE: Notice of Mortgage Debt Forgiveness and Satisfaction of Loan**

Loan Number: [Insert Loan Number]  
Property Address: [Insert Property Address]

Dear [Borrower Name],

This letter serves as official notification that [Lender Name] has agreed to forgive the remaining outstanding balance on the above-referenced mortgage loan as of [Date].

The total amount of debt forgiven is \$[Insert Amount].

We confirm that the debt is now considered paid in full and satisfied. [Lender Name] hereby releases [Borrower Name] from any further financial obligation or liability regarding this specific loan. We will file the necessary "Satisfaction of Mortgage" or "Release of Lien" documents with the appropriate County Recorder's Office within [Number] days.

Please be advised that the amount of debt forgiven may be considered taxable income by the IRS. You will receive a Form 1099-C (Cancellation of Debt) for the current tax year. We recommend consulting with a tax professional regarding the implications of this forgiveness.

Please retain this letter for your permanent records as proof that the mortgage has been satisfied.

Sincerely,

[Signature]  
[Name of Authorized Representative]  
[Title]  
[Lender Name]