

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

To: [Borrower Name]
[Borrower Address]
[City, State, Zip Code]

Re: NOTICE OF DEFAULT AND ACCELERATION OF LOAN

Loan Account Number: [Insert Loan Number]
Property Address: [Insert Construction Project Address]
Construction Loan Agreement Date: [Insert Date of Agreement]

Dear [Borrower Name],

This letter serves as formal notice that you are in default under the terms of the Construction Loan Agreement and the Promissory Note associated with the above-referenced property.

Nature of Default:

The default has occurred due to the following reason(s):

[Insert reason, e.g., Failure to make monthly interest payments due on (Date) / Failure to complete construction milestones by (Date) / Unauthorized use of loan proceeds / Entry of a mechanic's lien].

Notice of Acceleration:

Pursuant to the terms of the Loan Agreement, the Lender hereby exercises its right to accelerate the maturity of the Loan. **The entire unpaid principal balance, plus accrued interest, late fees, and legal costs, is now due and payable in full immediately.**

Payoff Amount:

As of [Date], the total amount required to satisfy the loan is as follows:

- Principal Balance: \$[Amount]
- Accrued Interest: \$[Amount]
- Late Charges/Fees: \$[Amount]
- **Total Due: \$[Total Amount]**

Per diem interest continues to accrue at a rate of \$[Amount] per day.

Action Required:

You are hereby directed to remit the Total Due to the address listed below no later than [Insert Deadline Date]. If payment is not received by this date, the Lender will initiate formal foreclosure proceedings against the property and pursue all other legal remedies available under the law and the loan documents.

Cease of Funding:

Effective immediately, all future construction draws and funding requests are suspended. No further disbursements will be made under this Loan Agreement.

Please contact [Name of Contact Person] at [Phone Number] or [Email Address] if you wish to discuss this matter or if you believe this notice was sent in error.

Sincerely,

[Name of Authorized Signatory]

[Title]

[Lending Institution Name]

CC: [Guarantor Name, if applicable]