

NOTICE OF DEFAULT AND ACCELERATION

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

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

Dear [Borrower Name],

This letter serves as formal notice that you are in default of the terms and conditions of the Promissory Note and Mortgage/Deed of Trust dated [Insert Date of Original Loan].

Nature of Default:

Under Section [Insert Section Number] of the Loan Agreement, the Borrower is prohibited from placing, or permitting to be placed, any secondary or junior financing, lien, or encumbrance on the Property without the prior written consent of the Lender.

It has come to the Lender's attention that a junior mortgage/lien was recorded against the Property on [Insert Date of Junior Lien] in favor of [Insert Name of Junior Lender] in the amount of \$[Insert Amount]. This junior financing was not authorized by the Lender.

Demand for Remedy:

To cure this default, you must provide the Lender with evidence that this junior lien has been fully released and discharged by [Insert Deadline Date].

Consequences of Failure to Cure:

If the default is not cured by the date specified above, the Lender may exercise its rights under the Loan Documents, which include, but are not limited to:

- Accelerating the entire unpaid balance of the Loan, making it immediately due and payable.
- Commencing foreclosure proceedings against the Property.
- Exercising the Assignment of Rents.
- Seeking all legal fees and costs associated with this default.

Please contact [Insert Name/Department] at [Insert Phone Number] if you have any questions regarding this matter.

Sincerely,

[Sender Name]
[Sender Title]
[Lending Institution Name]