

DATE: [Insert Date]

TO: [Name of Borrower/Mortgagor]

ADDRESS: [Insert Address]

RE: NOTICE OF DEFAULT AND ACCELERATION

Property Address: [Insert Property Address]

Loan Number: [Insert Loan Number]

Dear [Borrower Name],

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

Nature of Default:

Specifically, you have breached the "Due-on-Sale" or "Negative Pledge" covenant by allowing an **unsanctioned secondary encumbrance** to be placed against the subject property. Our records indicate that a secondary lien, mortgage, or security interest was recorded by [Name of Third-Party Creditor] on [Date] without the prior written consent of [Name of Lender].

Action Required:

Pursuant to the terms of your agreement, this unauthorized encumbrance constitutes a non-monetary default. You are hereby required to:

- Provide proof of removal or discharge of the secondary encumbrance within [Number] days of this notice.
- Failure to cure this default will result in the acceleration of the entire unpaid principal balance, including accrued interest and legal fees.

If the default is not cured by [Deadline Date], [Name of Lender] reserves the right to exercise all legal remedies available, which may include initiating foreclosure proceedings.

Please contact our office immediately at [Phone Number] to discuss this matter.

Sincerely,

[Your Name/Authorized Signatory]

[Title]

[Company Name]