

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

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

RE: NOTICE OF DEFAULT AND BREACH OF LOAN AGREEMENT

Dear [Borrower Name],

This law firm represents [Lender Name] ("Lender") in connection with the loan extended to you on [Date of Original Loan], evidenced by the [Promissory Note/Loan Agreement] and secured by the [Deed of Trust/Mortgage] regarding the property located at [Property Address].

Pursuant to Section [Insert Section Number] of the Loan Agreement, the Borrower is expressly prohibited from obtaining secondary financing or placing additional encumbrances upon the subject property without the prior written consent of the Lender.

Please be advised that the Lender has become aware that you have entered into an unauthorized secondary financing agreement with [Secondary Lender Name] in the amount of \$[Amount], recorded on [Date] in [County Records Information].

This action constitutes a material breach of your contractual obligations and a Covenant Default. Under the terms of the original Loan Agreement, such a default entitles the Lender to accelerate the maturity of the debt.

DEMAND IS HEREBY MADE that you cure this default by providing evidence of the full release of the unauthorized secondary lien within [Number, e.g., 30] days of the date of this letter.

Failure to cure this default within the specified timeframe will result in the Lender exercising all available legal remedies, which may include:

- Acceleration of the entire unpaid principal balance and accrued interest;
- Commencement of foreclosure proceedings;
- Recovery of attorney fees and legal costs as permitted by the agreement.

Please direct all further communications regarding this matter to the undersigned counsel.

Sincerely,

[Attorney Name]
[Law Firm Name]

[Phone Number]

[Email Address]

CC: [Lender Name/Client]