

NOTICE OF DEFAULT AND INTENT TO FORECLOSE

Date: [Insert Date]

To: [Borrower Name]
[Property 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 of your Mortgage/Deed of Trust dated [Insert Original Mortgage Date].

Nature of Default:

Specifically, you have violated the "Due-on-Sale" or "Transfer of Interest" clause (Section [Insert Section Number]) of your security instrument by obtaining unauthorized subordinate financing. It has come to our attention that a junior lien/second mortgage was recorded against the property on [Insert Date] with [Insert Name of Junior Lender] in the amount of \$[Insert Amount] without the prior written consent of [Insert Lender Name].

Action Required to Cure Default:

To prevent the acceleration of your loan and the commencement of foreclosure proceedings, you must perform the following action(s):

1. Provide immediate proof that the unauthorized subordinate lien has been released or reconveyed; or
2. Obtain formal written approval from this office (subject to underwriting review and fees) to maintain the subordinate financing.

Deadline:

You must cure this default within [Number, e.g., 30] days from the date of this notice. The deadline is [Insert Expiration Date].

Failure to Comply:

If the default is not cured by the date specified above, [Insert Lender Name] intends to exercise its option to accelerate the entire unpaid principal balance of the loan, including accrued interest and costs, making the full amount immediately due and payable. Failure to pay the accelerated balance will result in the initiation of foreclosure proceedings to sell the property at public auction.

You have the right to reinstate the loan after acceleration and the right to assert the non-existence of a default or any other defense in a foreclosure proceeding.

Please contact our Loss Mitigation Department at [Insert Phone Number] immediately to discuss this matter.

Sincerely,

[Your Name/Authorized Representative]
[Company Name]
[Phone Number]