

NOTICE OF DEFAULT AND BREACH OF LOAN TERMS

Date: [Insert Date]

[Borrower Name]
[Co-Borrower Name]
[Property Address]
[City, State, Zip Code]

Re: Loan Number: [Insert Loan Number]

Dear [Borrower Name],

This letter serves as formal notice that you are in breach of the terms and conditions of your Promissory Note and Deed of Trust/Mortgage dated [Insert Original Loan Date] regarding the property located at [Insert Property Address].

Nature of Breach:

Investigation of public records and/or credit reporting indicates that you have obtained secondary financing (a second mortgage or junior lien) on the subject property from [Insert Name of Secondary Lender] in the amount of \$[Insert Amount] on or about [Insert Date].

Pursuant to the terms of your loan agreement, specifically [Insert Section/Paragraph Number, e.g., Section 18: Transfer of the Property or a Beneficial Interest in Borrower], secondary financing without the express written consent of [Insert Lender Name] is strictly prohibited and constitutes a default under the security instrument.

Required Action:

To cure this default, you must perform the following actions within [Insert Number of Days, e.g., 30] days from the date of this letter:

- Provide proof of payoff and discharge of the unauthorized secondary lien; or
- Submit a formal request for subordination for review (subject to lender approval and fees).

Failure to Comply:

Failure to cure this breach within the timeframe specified may result in the acceleration of your loan. Acceleration means the entire unpaid principal balance, accrued interest, and all other charges will become immediately due and payable. If the balance is not paid, [Insert Lender Name] may initiate foreclosure proceedings to sell the property.

Please contact our Loan Servicing Department at [Insert Phone Number] to discuss this matter or provide documentation of compliance.

Sincerely,

[Name of Sender/Officer]
[Title]
[Lender/Service Name]