

[Date]

[Borrower Name]

[Co-Borrower Name]

[Property Address]

[City, State, Zip Code]

Re: Offer for Trial Period Plan (Capitalized Arrears)

Loan Number: [Insert Loan Number]

Dear [Borrower Name(s)],

We are pleased to inform you that you are eligible for a Trial Period Plan. This plan is the first step toward a permanent modification of your mortgage loan to bring your account current and make your payments more affordable.

The Trial Period Plan Terms:

- To qualify for a permanent modification, you must make [Number, e.g., 3] consecutive monthly payments in the amount of \$[Payment Amount].
- Payments are due on the following dates:
 - Payment 1: [Date]
 - Payment 2: [Date]
 - Payment 3: [Date]

Capitalization of Arrears:

Under this plan, your past-due interest, escrow advances, and other eligible costs (the "Arrears") will be added to your current principal balance. This process is known as capitalization. Once the trial period is successfully completed, your new principal balance will be approximately \$[Estimated New Balance].

What Happens Next:

1. **Accept the Offer:** Sign and return the enclosed copy of this letter by [Deadline Date].
2. **Make Payments:** Ensure each trial payment is received on or before the due dates listed above.
3. **Final Modification:** Upon successful completion of the trial period, we will send you a formal Loan Modification Agreement to sign and notarize.

If you fail to make any of the trial payments on time, this offer will be terminated, and your loan will remain in default. Normal collection and/or foreclosure activities may resume.

If you have any questions, please contact our Loss Mitigation Department at [Phone Number].

Sincerely,

[Servicer Name]
[Department Name]

Acknowledgment and Acceptance:

I/We agree to the terms of the Trial Period Plan as outlined above.

Borrower Signature / Date

Co-Borrower Signature / Date