

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

**RE: Notice of Appeal Determination - Principal Reduction Request**

Loan Number: [Loan Number]

Property Address: [Property Address]

Dear [Borrower Name],

This letter is to inform you that we have completed our formal review of your appeal regarding the denial of your request for a Principal Reduction on the above-referenced mortgage loan.

**Appeal Decision:** [Approved / Denied]

**Summary of Findings:**

After a thorough re-evaluation of your financial documentation, current property valuation, and the guidelines set forth by [Investor Name/Program Name], we have reached the following determination:

[Insert detailed explanation of why the appeal was approved or denied. Reference specific data points such as Debt-to-Income ratio, Loan-to-Value ratio, or Net Present Value (NPV) results if applicable.]

**Next Steps:**

- **If Approved:** Enclosed you will find the modified loan terms and the Principal Reduction Agreement. Please sign and return these documents by [Date] to initiate the adjustment.
- **If Denied:** While we cannot offer a principal reduction at this time, you may still be eligible for other loss mitigation options such as [List options, e.g., Interest Rate Reduction, Forbearance, or Extension of Terms].

If you have any questions regarding this decision or wish to discuss alternative options, please contact our Appeals Department at [Phone Number] between the hours of [Operating Hours].

Sincerely,

[Name of Representative]

[Title]

[Company Name]