

[Date]

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

Re: Notice of Mortgage Balance Forgiveness

Loan Number: [Insert Loan Number]

Dear [Borrower Name],

We are writing to formally notify you that [Lender/Bank Name] has approved the total forgiveness of the remaining principal balance on your mortgage loan for the property located at [Property Address].

As of [Effective Date], the outstanding balance of \$[Amount] has been waived. You are no longer required to make any further monthly payments toward this debt. We have updated our records to reflect that this loan is now paid in full and the account is closed.

Important Details:

- **Lien Release:** We will file the necessary documents with the County Recorder's Office to release the lien on your property. You will receive a formal "Satisfaction of Mortgage" or "Release of Lien" document shortly.
- **Credit Reporting:** Your credit report will be updated to show the account as "Paid in Full" or "Settled for Less Than Full Balance," as per standard reporting guidelines.
- **Tax Implications:** Please be advised that the amount of debt forgiven may be considered taxable income by the IRS. We recommend consulting with a tax professional. A Form 1099-C (Cancellation of Debt) will be mailed to you by January 31st of next year.

If you have any questions regarding this notification, please contact our Customer Service Department at [Phone Number] or visit our website at [Website].

Sincerely,

[Authorized Signature]
[Printed Name and Title]
[Lender Name]