

**Date:** [Date]

**Loan Number:** [Loan Number]

**Property Address:** [Property Address]

**Borrower Name:** [Borrower Name]

**Co-Borrower Name:** [Co-Borrower Name]

## **Subject: Notice of Principal Forbearance Status**

Dear [Borrower Name],

This letter is to provide you with an update regarding the status of your mortgage loan. Based on the terms of your recent loan modification agreement, a portion of your unpaid principal balance has been placed into a status known as **Principal Forbearance**.

### **Forbearance Details:**

- **Current Total Principal Balance:** \$[Amount]
- **Non-Interest Bearing Deferred Amount (Forborne Principal):** \$[Amount]
- **Interest-Bearing Principal Balance:** \$[Amount]

### **What this means for you:**

The "Non-Interest Bearing Deferred Amount" has been set aside. You are not required to make monthly principal or interest payments on this specific amount at this time, and it will not accrue interest. However, this amount is **not forgiven**.

### **When is this amount due?**

The deferred amount becomes due and payable in full when one of the following events occurs:

- You sell the property;
- You refinance the mortgage;
- The mortgage reaches its maturity date; or
- The loan is paid in full.

Please keep this letter with your permanent mortgage records. If you have any questions regarding this notice or your account, please contact our Customer Service Department at [Phone Number] between the hours of [Operating Hours].

Sincerely,

[Lender/Service Name]  
[Department Name]  
[Contact Information]