

[Date]
[Loan Number]

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

Subject: Notice of Accrual of Deferred Mortgage Interest

Dear [Borrower Name],

This letter serves as formal notification regarding the interest accrual on your mortgage account following your recent [Forbearance/Deferment] period, which ended on [Date].

Per the terms of your agreement, the interest that was not paid during the deferment period has been calculated and added to your account balance. Please review the following details regarding your deferred interest:

- **Total Deferred Interest Amount:** \$[Amount]
- **Effective Date of Accrual:** [Date]
- **New Total Principal Balance:** \$[Amount]

The deferred amount will be handled according to the following option:

[Insert Option: e.g., Added to the end of the loan term as a non-interest bearing balloon payment / Capitalized into the monthly principal and interest payments / Payable in full upon sale or refinance of the property.]

Please note that your new monthly mortgage payment will be \$[Amount], effective [Date].

If you have questions regarding this calculation or wish to discuss repayment options, please contact our Customer Service Department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Name of Loan Officer/Representative]
[Lending Institution Name]
[Contact Information]