

Important Notice Regarding Your Home Equity Loan

Date: [Insert Date]

[Your Name]

[Your Address]

[City, State, Zip Code]

[Lender's Name]

[Lender's Address]

[City, State, Zip Code]

Dear [Lender's Name],

I am writing to address the issue of negative amortization concerning my home equity loan (Account Number: [Insert Account Number]). As you are aware, negative amortization occurs when the monthly payments made are less than the interest accruing, resulting in an increase in the loan balance.

While I understand that this may provide temporary financial relief, I am concerned about the long-term implications. The key consequences include:

- **Increased Loan Balance:** The principal amount of the loan will grow over time, which can lead to owing more than the property is worth.
- **Higher Future Payments:** When the loan adjusts, the resulting payment may be significantly higher, creating potential financial strain.
- **Potential Default Risk:** A growing loan balance can lead to difficulties in making payments and increase the risk of default.

Given these risks, I would like to discuss potential alternatives that may better suit my financial situation. Please contact me at your earliest convenience to schedule a meeting.

Thank you for your attention to this matter.

Sincerely,

[Your Name]