

Instruction: This is a model letter. Adapt to fit your facts and circumstances.

D A T E

N A M E
C O M P A N Y
A D D R E S S L I N E
C I T Y , S T A T E Z I P C O D E

Re:
Account #

Dear :

As you requested, the following is a brief narrative of the situation regarding the above referenced matter and the proposed settlement therein.

It is my understanding that the mobile home was placed on a "lost" or "skip" status while the loan was being serviced by . When the home was finally located in , , it was determined that the borrower, has filed bankruptcy some years earlier, that the debt had been discharged and that had abandoned the mobile home at the . It was further determined that the mobile home park had been leasing the mobile home to various tenants and collecting the rents. When the mobile home park was contacted regarding Homeowners desire to pick up the home, Homeowners was notified that the outstanding lot rent due was approximately \$ and that the mobile home park would not compromise the amount claimed to be due.

After servicing of the loan was transferred to , the file was placed with me and I was requested to file a claim and delivery action. After the action was filed and service of process was completed, the mobile home park answered denying that was entitled to possession on the basis of adverse possession, abandonment, estoppel, waiver and laches. In addition, the defendant filed a counterclaim seeking \$ for sums expended to move, repair and store the mobile home.

During the course of discovery, it was determined that the mobile home had been located on the property of N A M E , A D D R E S S , C I T Y , S T A T E Z I P C O D E . Apparently, the defendant picked up the home at the request of . This occurred in D A T E . According to the Defendant, it attempted to contact the "finance company" three times, using information from a payment book found in the mobile home and all three times was told that the finance company would "be back in touch". However, the Defendant alleges that the "finance company" never called back and therefore, the mobile home was moved from the sales lot to the mobile home park in D A T E .

After the home was moved to the mobile home park, the Defendant allegedly made approximately \$ of repairs to the home and began renting the mobile home in .

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Pursuant to information obtained from the Defendant, the mobile home was rented from D A T E through D A T E . Subsequently, the mobile home was sold on D A T E to N A M E, A D D R E S S , C I T Y, S T A T E Z I P C O D E for the sum of Dollars (\$).

The breakdown of the amounts which the Defendants claim to be due from are as follows:

Pulling to Sales Lot	\$
Storage: D A T E - D A T E , D A T E @ \$ /month	\$
Move to park	\$
Repairs	\$
TOTAL	\$
Less: Credit for rental income	\$
Balance Due	\$

Also, enclosed is a copy of the explanation and bill of sale that we obtained from the attorney for the Defendant which may provide you with additional information on this matter.

Based on our analysis of the situation, it appeared that we had no likelihood of being able to recover the mobile home. To the best of our knowledge it was sold to a bona fide purchaser without knowledge and therefore, took the mobile home free of any claims of . As a result, was left with essentially a claim for the value of the mobile home against the Defendant. Considering the mobile home was sold for \$ to an independent third party, it is likely this was the value that a court would have used in determining how much would recover from the Defendant. However, this amount would have been set off against the lot rent charges due to the Defendant from . Under law, a landlord has an obligation to move a renters property to storage in order to mitigate damages and can recover a reasonable storage fee for such efforts. While it is probable that the court would have found \$ per month to be an excessive lot rent charge, it would not have been unlikely for the court to have awarded \$ to \$ per month for storage. In addition, it is likely that the Court would have granted the Defendants award for the cost of moving the mobile home and some amount for the repairs to the mobile home, because arguably such repairs would have increased the value of the mobile home and the sales price to the third party.

Everything considered, it was our recommendation that attempt to settle the law suit because from an economic viewpoint it was unlikely that would have recovered much, if anything, when the set off with the Defendant for lot rent and the cost of litigation were compared to the gross amount of the recovery. I discussed this matter with representatives at and after several weeks was told to pursue a settlement with the Defendant. The Defendant offered to settle the lawsuit for a payment to in a range of \$ to \$. I was told by the representative that I had the authority to settle the lawsuit for as little as \$. However, I

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recommend that _____ that we attempt to obtain as much as possible, as _____ had nothing to lose. As a result, I negotiated with the attorney for the Defendant and reached a settlement amount of \$ _____ and _____'s representative approved this amount.

The Defendant has forwarded to us their check for \$ _____, which I am holding in trust pending the execution of Release documents. It was my understanding that the settlement had been approved by _____ and _____. I have been holding this check for almost six months and I need to conclude this matter. As I indicated in my letter of D A T E, I had some question about the indemnity provision of the release. I recommend that this language be stricken or modified and that the documents be executed and returned to me as soon as possible.

Should you have any questions, please do not hesitate to call.

Sincerely,

By: