

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: v.
 Chancery Court of County,
 Case No.

Dear :

As per our conversation, this letter is to inform you as to some of the background information as it relates to the above entitled matter.

N A M E first executed a note and deed of trust on D A T E with a total sum of \$. The final due date of the payments under this deed of trust was D A T E . This deed of trust was on lot , which was the homestead of the parties. The original beneficiary of the deed of trust was N A M E. N A M E then acquired N A M E, as well as the subject loan. N A M E assigned the loan to N A M E on D A T E . N A M E assigned N A M E on D A T E . N A M E then assigned to N A M E on D A T E . N A M E then assigned it to N A M E D A T E .

N A M E also executed two other notes dated D A T E (Loan #), matured and D A T E (Loan #), matured D A T E . These notes which were executed on a business location (Lot) were secured by a deed of trust executed on D A T E . They were not executed by N A M E. The beneficiary was N A M E. The N A M E foreclosed this deed of trust on D A T E . State law allows one year from the foreclosure date to seek a deficiency.

In D A T E , N A M E states that it "offset" several loans into the homestead loan. This appears from the file to be contested by the N A M E, but resolution of the dispute is not indicated in the file.

From our review of the file, it is clear that any collection action on the D A T E deed of trust and note is barred whether or not the "offset" was effective. It appears from what we understand that there was no activity on the loan or payments back as far as D A T E . The statute of limitations begins to run from the date the payments are due. Also, the final payment date on the homestead loan was D A T E .

The N A M E have offered to settle by acceptance of a cancellation of the deed of trust.

It is our opinion that the offer should be accepted and that you could face a damage judgement if the matter is litigated. IT IS VERY IMPORTANT THAT WE RESPOND TO THE SETTLEMENT OFFER WITHIN 20 DAYS.

If you have any questions, please feel free to call.

Sincerely,

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