

Information & Instructions: Demand letter and notice that the loan has been accelerated

PREVIEW

1. If a demand letter is sent to the debtor, please note that if the deadline stated in the letter is not met, a subsequent letter must be sent giving notice that the loan has been accelerated.
2. You may at this time enclose a copy of the Notice of the Trustee or Substitute Sale, or you may send it with a separate letter.
3. Texas Property Code Section 51.002 requires that the debtor receive notice of the earliest time at which the foreclosure sale will occur, and the sale must begin within three (3) hours of that time.
4. In addition, the holder of the debt must serve the debtor under a Deed of Trust or other contract lien on real property used as the debtor's residence with written notice by certified mail, stating that:
 - a. The debtor is in default under the Deed of Trust or contract; and
 - b. The debtor has at least twenty (20) days to cure the default before the entire debt is due and notice of sale is given.

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Form: Demand letter and notice that the loan has been accelerated

[Date]

[Name of Debtor and Co-debtors, if applicable]

THIS DOCUMENT

Regarding: BREACH OF PROMISSORY NOTE DATED [Date], IN THE ORIGINAL PRINCIPAL AMOUNT OF \$[Amount] DUE AND PAYABLE TO [LENDER], EXECUTED BY [OBLIGOR] AND SECURED BY A DEED OF TRUST ON REAL PROPERTY DESCRIBED AS [Legal description of property], ALSO KNOWN AS [Street address] RECORDED IN VOLUME [NUMBER], PAGE [NUMBER] OF THE DEED OF TRUST RECORDS OF [NAME] COUNTY, TEXAS OR UNDER CLERK'S FILM CODE NUMBER [NUMBER]

Dear Debtor:

Please be advised that the undersigned [law firm] represents [Lender Name]. We previously contacted you on _____ to advise you of your default of the above described loan.

THANK YOU

In that demand letter, you were afforded twenty (20) days in which to cure the loan default, if the property was your residence, prior to the issuance of a Notice of Foreclosure.

You have failed to bring the loan current despite the notice my client has given you that your unpaid loan would be accelerated if the default was not timely cured. Therefore [Lender's name] has on _____ accelerated the entire unpaid principal and accrued interest, together with attorney's

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fees and expenses incurred in connection with the collection of the amount stated in my letter to you of [Date].

PREVIEW

SINCE YOU HAVE NOT CURED YOUR DEFAULT BY PAYMENT OR OTHERWISE, THE INDEBTEDNESS HAS BEEN ACCELERATED.

The entire amount of both principal and interest on the Note described above in the amount of [\$Amount] is now immediately due and payable to [Lender's name].

This letter is to formally notify you that because of your default, [Lender's name] intends to foreclose on the property described above.

[If a notice of trustee's sale is enclosed, add: Enclosed please find a Notice of [Trustee's or Substitute Trustee's] Sale which will soon be posted for a public sale of the real property described above. This sale is authorized by the Deed of Trust referred to above and will take place on Tuesday, _____ at [Name] Courthouse, in the area designated by the Commissioner's Court for conducting foreclosure sales. The sale will commence not earlier than 1:00 p.m. and not later than three hours thereafter. The property will be sold to the highest bidder for cash. If the proceeds of the sale are insufficient to extinguish the indebtedness secured by the Deed of Trust, [Lender's Name] will hold you liable for the deficiency amount. Nothing contained in this letter or Notice shall be construed as limiting or modifying any of [Lender's name] rights, benefits or privileges under any Promissory Note, Deed of Trust, or assignment under any such instrument.]

Please give this letter your immediate attention. If you have any questions or need additional information, please contact the undersigned. You will receive no further communication prior to the commencement of the foreclosure process.

THIS DOCUMENT

Sincerely,

[Attorney's name]

Certified Return Receipt Request Number:

[If this collection letter relates to a consumer debt, add: Please read the Fair Debt Collection Practices Act notice which is attached to this letter as Exhibit A]

THANK YOU

EXHIBIT "A"

FAIR DEBT COLLECTION PRACTICES ACT; CONSUMER NOTICE

The following notice is provided pursuant to the Fair Debt Collection Practices Act (ACT), Public Law 95-109, 15 USC § 1601 et seq.

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[CREDITOR'S NAME] BY AND THROUGH [ATTORNEY'S NAME], AS ITS LEGAL COUNSEL, IS SENDING YOU THIS LETTER IN AN ATTEMPT TO COLLECT A DEBT. YOU ARE ADVISED THAT ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

1. THE AMOUNT OF THE DEBT IS \$[AMOUNT].
2. THE NAME OF THE CREDITOR TO WHOM THE DEBT IS OWED IS [NAME].
3. PLEASE BE ADVISED THAT UNLESS YOU DISPUTE THE VALIDITY OF THE ABOVE-DESCRIBED DEBT OR ANY PORTION OF THE DEBT WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS NOTICE, THE ATTORNEY AND THE CREDITOR WILL ASSUME THAT THIS DEBT IS VALID AND THE CREDITOR MAY PROCEED IN ACCORDANCE WITH THE ACT (PUBLIC LAW 95-109) TO LEGALLY RECOVER MONIES OWED TO THE CREDITOR.
4. FURTHERMORE, YOU ARE ADVISED THAT YOU HAVE THE RIGHT TO CONTACT THE CREDITOR, ATTORNEY OR DEBT COLLECTOR TO DISPUTE THE DEBT.
5. IF YOU DISPUTE THE VALIDITY OF THE DEBT, YOU SHOULD NOTIFY THE ATTORNEY WHO SENT THIS LETTER TO YOU, OF YOUR DISPUTE IN WRITING WITHIN THIRTY (30) DAYS FROM THE RECEIPT OF THIS NOTICE. IF YOU DISPUTE THE DEBT, THE ATTORNEY WILL OBTAIN A VERIFICATION OF THE DEBT AND A COPY OF THE JUDGMENT AND MAIL IT TO YOU.
6. UPON YOUR WRITTEN REQUEST WITHIN THE ABOVE-DESCRIBED THIRTY (30) DAY TIME PERIOD, THE ATTORNEY OR DEBT COLLECTOR WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF THE CREDITOR SEEKING TO COLLECT THE DEBT IS DIFFERENT FROM THE ORIGINAL CREDITOR.
7. ANY POSTDATED CHECKS SENT TO THE DEBT COLLECTOR WILL BE DEPOSITED OR PLACED FOR COLLECTION.

THANK YOU

The creditor and this office have no knowledge that you have filed a Federal Bankruptcy Petition, or that if you have previously filed, that the bankruptcy stay is still applicable. Likewise the creditor and this office have no knowledge that all or part of the debt has been discharged by any bankruptcy proceeding.

If you have filed a bankruptcy petition and a stay is in effect or a prior bankruptcy discharged the debts, then this office will suspend collection efforts and comply with federal or

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state law once you notify this office of your bankruptcy filing. Please send this office the name of the debtor, the case number, the proceeding type, the court's name and location and the name, address and telephone number of your bankruptcy attorney.

ATTORNEY'S FEE NOTICE

Pursuant to chapter 38 of the Texas Practice and Remedies Code, you are hereby notified that if the debt is valid, your failure to pay the past due balance in full within 30 days from the date of this letter may cause you to also owe attorney's fees incurred by the creditor. Attorney's fees as of this date are \$[Amount] and may range from [Anticipated Low Amount] to [Anticipated High Amount] if this matter is not resolved.

Attachments

cc: [Client]

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THIS DOCUMENT

THANK YOU

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