

[DRAFTING NOTE: PLACE FINAL LETTER ON SERVICER LETTERHEAD. DELETE BRACKETS, DRAFTING NOTES, AND FORM TITLE WHEN PREPARING FOR DISTRIBUTION TO A BORROWER.]

[DATE]

Via EMAIL: [INSERT BORROWER CONTACT EMAIL ADDRESS]

Via Overnight Courier

[INSERT BORROWER NAME] (“Borrower”)
[INSERT NOTICE ADDRESS FOR BORROWER]
Attention: [INSERT BORROWER CONTACT NAME]

Re: Property Name: [INSERT PROPERTY NAME] (“Property”)
Loan Number: [INSERT FANNIE MAE OR SERVICER LOAN NUMBER]

Dear Borrower,

On [INSERT DATE OF FIRST LETTER], Servicer notified the Borrower of the results of an inspection of the Property performed on [INSERT DATE OF INSPECTION]. The inspection identified additional repairs and additional replacements needed to maintain the Property in good repair and marketable condition as required by the loan documents. For your convenience, attached is the exhibit of the items to be addressed that was included with the first letter.

To date, we have not received a satisfactory response from the Borrower. Within fifteen (15) days from the date of this letter, please provide an update on the status of the additional repairs and additional replacements and the required action plan described in the first letter. If necessary, a follow-up inspection, at Borrower’s cost, may be scheduled to verify the completion of the additional repairs and additional replacements.

Please note, if the action plan is not provided or the required additional repairs and additional replacements are not completed within the stated timeframe, Fannie Mae or Servicer may choose to take any or all of the following actions:

- hold all reserve disbursement requests until the outstanding issues are resolved;
- re-establish or increase replacement reserve impounds;
- ~~obtain~~, at Borrower’s cost, a Property Condition Assessment performed by a qualified engineer to determine the full scope and estimated costs of additional repairs and additional replacements needed at the Property; ~~and~~;
- require additional escrow funds to address items identified in the report; and
- exercise any other remedy or right available under the loan documents.

If there are questions about the above, please contact the undersigned at the phone number or email address below.

Sincerely,

[INSERT ASSET MANAGER NAME]
[INSERT ASSET MANAGER PHONE NUMBER]
[INSERT ASSET MANAGER EMAIL ADDRESS]

cc: [SERVICER TO INSERT OTHER PARTIES TO RECEIVE THE LETTER (KEY PRINCIPAL, PROPERTY MANAGER, ETC.)

EXHIBIT OF ADDITIONAL REPAIRS AND ADDITIONAL REPLACEMENTS

[DRAFTING NOTE: IN ADDITION TO LISTING THE ITEMS TO BE ADDRESSED, ADD PICTURES OF EACH ITEM TAKEN DURING THE INSPECTION.]

Life safety items to be repaired or replaced within thirty (30) days:

Items to be covered in Borrower's action plan for completion within six (6) months: