

September, 2006

**NOTE: SAMPLE ONLY – CONFER WITH
LEGAL COUNSEL FOR FINAL**

Mr. Borrower
123 Anytime street
City, State ZIP

Dear Mr. Borrower:

(Insert here the exact circumstances)

Example 1 -

We are contacting you regarding the loan you closed with XYZ Mortgage Lender that was subsequently submitted by them to us for a transfer of servicing in May, 2002. Unfortunately, a copy of your loan file was in a box that was sent via insured UPS between ABC and XYZ. It has been determined that the box was lost in transit. We have tracked the missing box and know that its last destination was the 123 UPS Hub. While UPS is still researching the matter and trying to locate the missing box, we felt it necessary to form you of this incident.

Example 2 –

We are contacting you regarding the loan applicant you took with Jane Doe Loan Officer in September 2005. Ms. Doe's home was bugularized earlier this week and her laptop with your personal application information was stolen. Etc. etc.

We are not aware of any instance where personal information about you is being used inappropriately, and we do not anticipate any additional risks to you arising from this event. However, we wanted you to be aware of this situation. We have enclosed an outline of actions that we recommend considering for any situation where you may feel that your personal information is in question. It is recommended that you remain vigilant over the next 12 to 24 months, and promptly report any incidents of suspected identity theft.

Again, we are only informing you of this because safeguarding our customers' information is a top priority at ABC Bank. Should you have any further questions, you may contact the undersigned.

Should you wish to place a fraud alert on your credit/consumer file and/or request a free copy of your credit/consumer report please contact the following consumer reporting agencies:

Major Credit Bureaus

Equifax – www.equifax.com

To order your report, call: 800-685-1111 or write to:

P.O. Box 740241, Atlanta, GA 30374-0241

To Report fraud or request alert, call: 800-526-6285 or write:

P.O. Box 740241, Atlanta, GA 30374-0241

Hearing impaired call: 800-255-0056 and ask the operator to call the Auto Disclosure Line at 800-685-1111 to request a copy of your report

Experian – www.experian.com

To order your report, call: 888-EXPERIAN (397-3742) or write:

P.O. Box 2002, Allen, TX 75013

To Report fraud, call: 888-EXPERIAN (397-3742) or write:

P.O. Box 9530, Allen, TX 75013

TDD, call: 800-972-0322

TransUnion – www.transunion.com

To order your report, call: 800-888-4213 or write:

P.O. Box 1000, Chester, PA 19022

To report fraud, call: 800-680-7289 or write:

Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92634

TDD, call: 877-553-7803

Additional Consumer Reporting Agency Information

Chex Systems, Inc. – www.comsumerdebit.com

To order your report, call: 800-428-9623 or write:

Consumer Relations 7805 Hudson Rd., Suite 100, Woodbury, MN 55125

To report fraud or request alert, online: www.consumerdebit.com and select Affidavit forms or call: 888-478-6536 or write:

Consumer Relations 7805 Hudson Rd., Suite 100, Woodbury, MN 55125

When you receive your credit/consumer reports, review them carefully. Look for accounts you did not open and inquiries from creditors that you did not initiate. Also look for personal information, such as home address and social security number, which are not accurate. If you see anything you do not understand, call the credit bureau or consumer reporting agency at the telephone number provided on the report.

If you do find suspicious activity on your credit/consumer reports, call your local law enforcement agency and file a police report. Get a copy of the report. You may need to give copies of the police report to creditors to clear up your records. If you have been a victim of ID Theft, you can also file a complaint with the Federal Trade Commission by going to www.consumer.gov/idtheft. If you do not have access to the Internet, you can call the FTC's Identity Theft Hotline toll-free at 877-IDTHEFT (438-4338).

If you do not find any signs of fraud or suspicious activity on your reports, it's a good idea to continue checking them every three months for the next year. Just call one of the numbers above to order your reports and keep the fraud alert in place.

You are also entitled to a free credit report under a recent amendment to the Fair Credit Reporting Act (FCRA). If you are interested in obtaining a free credit report under the FCRA, you should visit the Fair Trade Commission's website at www.ftc.gov for more information. You may also go to www.annualcreditreport.com to order a free report online.

Please contact me at the number below should you have any questions.

Sincerely,

Manager