[Company Letterhead / Logo]

[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

RE: Advisory Notice - Interest Rate Escalation for Loan Account #[Account Number]

Dear [Client Name],

We are writing to provide a formal advisory regarding the recent shift in the interest rate environment and its impact on your commercial lending facility with [Financial Institution Name].

In accordance with the terms of your Loan Agreement dated [Agreement Date], your loan is subject to periodic interest rate adjustments based on the [Index Name, e.g., SOFR / Prime Rate]. Due to recent increases in the underlying market index, your interest rate will be adjusted as follows:

- **Current Interest Rate:** [Current Rate]%
- **New Interest Rate:** [New Rate]%
- **Effective Date:** [Effective Date]
- **Revised Monthly Payment:** [New Payment Amount]

This escalation is a reflection of broader economic conditions and central bank policies. We encourage you to review your current debt service coverage and cash flow projections to ensure continued compliance with your loan covenants.

Our team is available to discuss various mitigation strategies, which may include:

- Interest rate hedging products (Swaps or Caps)
- Fixed-rate conversion options
- Principal curtailment schedules

If you have any questions regarding this adjustment or wish to schedule a portfolio review, please contact your Relationship Manager at [Phone Number] or [Email Address].

Sincerely,

[Name of Officer]
[Title]
[Financial Institution Name]