

URGENT: FORMAL NOTICE OF DEFAULT AND INTENT TO ESCALATE LEGAL ACTION

Date: [Insert Date]

TO:

[Customer Name/Business Name]

[Address Line 1]

[City, State, Zip Code]

RE:

Equipment Financing Contract ID: [Contract Number]

Equipment Description: [Model/Serial Number]

Total Outstanding Balance: \$[Amount]

Dear [Contact Name],

This letter serves as formal notice that your account is in material breach of the Equipment Financing Contract dated [Start Date]. Despite previous reminders, the past-due balance of \$[Amount] remains unpaid.

Failure to cure this default within [Number, e.g., 5] business days from the date of this letter will result in the following actions:

- **Acceleration of Debt:** The entire remaining balance of the contract will become immediately due and payable.
- **Repossession:** We will exercise our right to recover the equipment listed above, as permitted by law and the security agreement.
- **Legal Litigation:** This matter will be referred to our legal counsel to initiate a lawsuit for the recovery of the debt, including interest, late fees, and reasonable attorney fees.
- **Credit Reporting:** This default will be reported to major credit bureaus, which may negatively impact your business and personal credit ratings.

To prevent these escalations, you must remit the full amount of \$[Amount] via [Payment Method] by [Deadline Date].

If you wish to discuss a settlement or voluntary surrender of the equipment, contact our Legal Recoveries Department immediately at [Phone Number] or [Email Address].

Govern yourself accordingly.

Sincerely,

[Your Name/Representative Name]

[Title]

[Company Name]