

## NOTICE OF DEFAULT AND INTENT TO CHARGE-OFF

Date: [Insert Date]

[Borrower Name]  
[Business Name]  
[Street Address]  
[City, State, Zip Code]

Re: Notice of Default regarding Loan Account Number: [Insert Account Number]

Dear [Borrower Name],

This letter serves as formal notice that your commercial business loan with [Lender Name] is in default. As of the date of this letter, your account is [Number] days past due.

### Account Summary:

- Outstanding Principal: \$[Amount]
- Accrued Interest: \$[Amount]
- Late Fees and Penalties: \$[Amount]
- **Total Amount Due: \$[Total Amount]**

Despite previous attempts to contact you, we have not received the required payments to bring the account current. Failure to remit the Total Amount Due by [Deadline Date] will result in the following actions:

1. **Charge-Off:** Your account will be formally charged-off. This is an internal accounting designation indicating the debt is delinquent, but it does not release you from your legal obligation to repay the full balance.
2. **Credit Reporting:** This default and charge-off status may be reported to commercial credit bureaus, which will negatively impact your business credit score.
3. **Legal Action:** We may exercise our rights under the Loan Agreement to initiate legal proceedings, accelerate the full balance of the loan, or seize any collateral securing this loan.
4. **Collection Agency Referral:** Your account may be transferred to a third-party debt collection agency.

To avoid these actions, please submit the Total Amount Due immediately. If you are experiencing financial hardship, contact our Loss Mitigation Department at [Phone Number] before the deadline to discuss potential repayment options.

Please govern yourself accordingly.

Sincerely,

[Signature]  
[Name of Sender]  
[Title]  
[Lender Name]