

[Lender Name]
[Lender Address]
[City, State, Zip Code]
[Phone Number]

[Date]

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

RE: NOTICE OF COLLATERAL LIQUIDATION AND ACCOUNT CHARGE-OFF

Account Number: [Loan Account Number]
Collateral Description: [Description of Asset/Property]

Dear [Borrower Name],

This letter serves as formal notification regarding the status of your secured loan referenced above. Due to your failure to cure the default on this account, we have proceeded with the liquidation of the collateral held as security for this loan.

Liquidation Summary:

- Date of Sale/Liquidation: [Date]
- Gross Sale Proceeds: \$[Amount]
- Less Liquidation Costs (Storage, Legal, Sale Fees): \$[Amount]
- **Net Proceeds Applied to Balance: \$[Amount]**

Account Status:

After applying the net proceeds from the sale, a deficiency balance of **\$(Remaining Balance Amount)** remains on your account. As of [Date], we have formally charged off this remaining balance.

Please be advised that a "Charge-Off" is a reporting status indicating the debt is delinquent and unlikely to be collected. This status has been reported to the national credit reporting agencies, which may negatively impact your credit score.

Next Steps:

Despite the charge-off status, you remain legally responsible for the deficiency balance. We are prepared to discuss repayment options or a settlement to prevent further collection actions, which may include referral to an external collection agency or legal proceedings.

Please contact our Recovery Department at [Phone Number] within [Number] days to resolve this matter.

Sincerely,

[Name/Signature]

[Title]

[Lender Name]