

[Your Name/Company Name]  
[Address]  
[City, State, Zip Code]  
[Phone Number]

[Date]

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

**RE: NOTICE OF ACCOUNT CHARGE-OFF**

Account Number: [Account Number]  
Total Outstanding Balance: \$[Amount]

Dear [Borrower Name],

This letter is to formally notify you that your unsecured personal loan account with [Company Name] has been charged off as of [Date] due to non-payment. This means we have closed your account and written it off as a loss on our financial records.

Please be advised of the following consequences regarding this status:

- **Credit Reporting:** This charge-off has been reported to the national credit bureaus. A "Charge-Off" status can negatively impact your credit score for up to seven years.
- **Debt Liability:** A charge-off does not forgive your debt. You remain legally responsible for the full balance of \$[Amount].
- **Collection Activity:** We reserve the right to transfer or sell your account to a third-party collection agency or to pursue legal action to recover the funds.
- **Tax Implications:** If we forgive any portion of this debt, we may be required to report it to the IRS as taxable income.

To resolve this matter and prevent further collection efforts, please contact our office at [Phone Number] immediately to discuss payment options or a settlement agreement.

Sincerely,

[Your Name/Department Name]  
[Company Name]