

Date: [Insert Date]

To: [Borrower Name]

Address: [Borrower Address]

Account Number: [Insert Loan Account Number]

RE: NOTICE OF INTENT TO EXERCISE RIGHT OF SETOFF

Dear [Borrower Name],

Our records indicate that your personal loan, account number [Insert Loan Account Number], is currently past due. As of [Insert Date], the total delinquent amount is \$[Insert Amount].

Despite previous notifications, we have not received the required payment to bring your account current. Please be advised that under the terms of your Loan Agreement and applicable law, [Name of Financial Institution/Lender] maintains a "Right of Setoff."

This letter serves as formal notice that if the delinquent balance is not paid in full by [Insert Deadline Date], we intend to exercise this right. This means we will withdraw the necessary funds from your associated deposit accounts (Account(s) Ending in: [Last 4 digits of savings/checking]) to satisfy the outstanding debt on your loan.

To avoid this action, please choose one of the following options immediately:

- Pay the past due amount of \$[Insert Amount] in full.
- Contact our Collections Department at [Insert Phone Number] to establish a repayment plan.

If you have already sent your payment, please disregard this notice. If you believe this notice is in error, please contact us immediately at [Insert Phone Number].

Sincerely,

[Sender Name/Department]

[Financial Institution/Lender Name]

[Contact Information]