

[Date]

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

**RE: FORMAL DEMAND FOR PAYMENT - GUARANTEE OF LOAN**

Dear [Guarantor Name],

This letter relates to the Construction Loan Agreement dated [Date of Loan], between [Lender Name] (the "Lender") and [Borrower Name] (the "Borrower") for the project located at [Project Address].

Pursuant to the Guarantee and Indemnity agreement signed by you on [Date of Guarantee], you personally guaranteed the punctual payment of all sums payable by the Borrower under the Loan Agreement.

Please be advised that the Borrower is currently in default. As of [Date], the loan is in arrears in the amount of \$[Amount], broken down as follows:

- Unpaid Principal/Drawdowns: \$[Amount]
- Interest Arrears: \$[Amount]
- Late Fees/Penalties: \$[Amount]
- **Total Overdue: \$[Amount]**

Despite previous requests for payment, the Borrower has failed to rectify this default. Consequently, the Lender hereby exercises its right under the Guarantee to demand immediate payment from you.

Demand is hereby made upon you for the total sum of \$[Total Amount]. This payment must be received by [Deadline Date] via the following method:

[Insert Payment Instructions/Bank Account Details]

If payment is not received in full by the date specified above, the Lender reserves the right to commence legal proceedings against you to recover the debt, including interest and legal costs, without further notice.

Sincerely,

[Your Signature]

[Your Printed Name]  
[Title/Company Name]