

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Commitment Letter for Factoring Facility

Dear [Contact Name],

We are pleased to inform you that [Lender/Factor Name] ("the Factor") has approved your application for a Factoring Facility ("the Facility") subject to the terms and conditions outlined below:

- **Facility Type:** [Recourse / Non-Recourse] Factoring Facility.
- **Maximum Facility Limit:** \$[Amount].
- **Advance Rate:** [Percentage]% of the face value of eligible accounts receivable.
- **Factoring Fee:** [Percentage]% per [Period] based on the gross invoice amount.
- **Interest/Discount Rate:** [Base Rate + Margin]% per annum on advanced funds.
- **Collateral:** A first priority security interest in all accounts receivable and related assets.
- **Term:** [Number] months from the date of the first funding.

Conditions Precedent to Funding:

1. Execution of the definitive Factoring Agreement and associated security documents.
2. Successful completion of a background and credit due diligence review.
3. Verification of all outstanding accounts receivable and notification to account debtors.
4. Evidence of good standing and corporate authority.

This commitment is valid until [Expiration Date]. Please acknowledge your acceptance of these terms by signing below and returning this letter by [Deadline Date].

Sincerely,

[Signature]

[Name of Authorized Representative]

[Title]

[Factor Name]

Accepted and Agreed:

By: _____

Name: [Borrower Authorized Signatory]

Title: [Title]

Date: _____