

[Date]

[Client Name]

[Address Line 1]

[Address Line 2]

[City, State, Zip Code]

**RE: Commitment Letter for Recourse Factoring Facility**

Dear [Contact Name],

We are pleased to inform you that [Lender Name] ("Factor") has approved your application for a Recourse Factoring Facility ("Facility"). This letter outlines the principal terms and conditions under which we are prepared to provide this financing.

**1. Facility Limit:** Maximum outstanding amount of \$[Amount].

**2. Advance Rate:** Up to [Percentage]% of the face value of eligible accounts receivable.

**3. Factoring Fee:** [Percentage]% of the gross invoice amount for the first [Number] days, plus [Percentage]% for each additional [Number] day period thereafter.

**4. Recourse Provision:** This facility is "with recourse." If any purchased account remains unpaid for [Number] days after the invoice date, the Client shall, upon demand, repurchase the invoice from the Factor or the Factor may offset the amount against the Client's reserve account.

**5. Collateral:** A first priority security interest in all accounts receivable, including proceeds thereof, and [Additional Collateral, if applicable].

**6. Conditions Precedent:** This commitment is subject to the following:

- Execution of a formal Factoring Agreement.
- Satisfactory background and credit checks.
- Verification of aging reports and customer concentrations.
- Evidence of no prior liens on accounts receivable.

**7. Expiration:** This offer is valid until [Date] and will expire if not accepted by such date.

Please indicate your acceptance of these terms by signing below.

Sincerely,

[Signature]

[Name of Officer]

[Title]

[Lender Name]

---

**Accepted and Agreed:**

By: \_\_\_\_\_  
Name: [Client Authorized Signatory]  
Title: [Title]  
Date: \_\_\_\_\_