

**Date:** [Date]

**Borrower Name:** [Borrower Full Name]

**Address:** [Borrower Address]

**Guarantor Name:** [Guarantor Full Name]

**Address:** [Guarantor Address]

## **Subject: Letter of Commitment for Microfinance Loan**

Dear [Borrower Name],

We are pleased to inform you that [Name of Microfinance Institution] ("The Lender") has approved your application for a microfinance loan under the following terms and conditions:

- **Loan Amount:** [Currency and Amount]
- **Interest Rate:** [Percentage]% per annum
- **Repayment Period:** [Number] months
- **Monthly Installment:** [Currency and Amount]
- **Purpose of Loan:** [Business/Personal Purpose]

### **Guarantor Requirement:**

This commitment is strictly contingent upon the formal execution of a Guarantee Agreement by [Guarantor Name]. By signing this letter, the Guarantor agrees to be irrevocably and unconditionally liable for the full repayment of the principal, interest, and any associated fees should the Borrower default on their obligations.

### **Conditions for Disbursement:**

1. Execution of the standard Loan Agreement by the Borrower.
2. Execution of the Guarantee Agreement by the Guarantor.
3. Provision of valid identification documents for both parties.
4. [Insert any other specific condition].

Please indicate your acceptance of these terms by signing below and returning this letter to our office by [Expiry Date].

Sincerely,

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[Authorized Officer Name]

[Title]  
[Institution Name]

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## **Acceptance and Acknowledgement**

**Borrower Signature:** \_\_\_\_\_

Date: \_\_\_\_\_

**Guarantor Signature:** \_\_\_\_\_

Date: \_\_\_\_\_