

[Date]

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

Re: Notice of Interest Rate Adjustment - Account Number: [Account Number]

Dear [Borrower Name],

This letter serves as formal notification that the interest rate on your variable rate loan has been adjusted downward in accordance with the terms of your loan agreement.

The adjustment is based on a decrease in the [Name of Index, e.g., LIBOR, Prime Rate], which determines your variable interest rate. Please find the details of the adjustment below:

- **Previous Interest Rate:** [Old Rate]%
- **New Interest Rate:** [New Rate]%
- **Effective Date:** [Date]
- **New Monthly Payment Amount:** [New Amount]
- **Next Payment Due Date:** [Date]

The new payment amount will remain in effect until the next scheduled adjustment period or until there is a change in the underlying index as specified in your contract.

No action is required on your part if your payments are made via automatic debit; the amount will be updated automatically. If you pay via check or manual transfer, please ensure your next payment reflects the new amount.

If you have any questions regarding this adjustment, please contact our customer service department at [Phone Number] or visit our website at [Website].

Sincerely,

[Name of Sender/Officer]
[Title]
[Financial Institution Name]