

Date: [Insert Date]

TO:

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

FROM:

[Lender Name/Company Name]
[Lender Address]
[City, State, Zip Code]

**RE: FORMAL DEMAND FOR PAYMENT - NOTICE OF INTENT TO INITIATE
LEGAL PROCEEDINGS**

Loan Account Number: [Insert Account Number]

Dear [Borrower Name],

This letter serves as a formal demand for payment regarding the outstanding balance owed under the loan agreement dated [Original Loan Date].

As of [Current Date], your account is in default. Despite previous reminders, you have failed to rectify the arrears. The total amount currently due and owing is **[\$[Insert Total Amount]]**, which includes the principal balance of **[\$[Amount]]**, accrued interest of **[\$[Amount]]**, and late fees of **[\$[Amount]]**.

TAKE NOTICE that unless full payment of the aforementioned amount is received by [Insert Deadline Date, e.g., 7 or 14 days from today], we will be forced to take immediate legal action to recover the debt without further notice to you.

Legal action may result in:

- A lawsuit filed against you in a court of law;
- Responsibility for our legal fees and court costs;
- Judgment liens against your property;
- Garnishment of wages;
- A negative impact on your credit rating.

Payment should be made via [Insert Payment Method, e.g., Certified Check, Wire Transfer, Online Portal] to the following address:

[Payment Address]
[City, State, Zip Code]

If you have already sent payment or wish to discuss a settlement or repayment plan to avoid litigation, please contact us immediately at [Insert Phone Number] or [Insert Email Address].

Govern yourself accordingly.

Sincerely,

[Signature]

[Printed Name]

[Title/Position]