

[Bank Name]
[Department]
[Address Line 1]
[Address Line 2]

[Date]

[Borrower Name]
[Business Name]
[Address Line 1]
[Address Line 2]

RE: NOTICE OF COLLATERAL SHORTFALL AND REVOCATION OF LINE OF CREDIT

Account Number: [Account Number]

Dear [Borrower Name],

This letter serves as formal notice regarding the Small Business Line of Credit ("the Credit Facility") held by [Business Name] with [Bank Name].

Pursuant to the terms of our Credit Agreement dated [Date of Agreement], [Business Name] is required to maintain collateral with a minimum value of \$[Minimum Amount]. Based on our most recent valuation conducted on [Valuation Date], the current value of the collateral is \$[Current Value], resulting in a shortfall of \$[Shortfall Amount].

Due to this collateral shortfall, [Bank Name] is exercising its right to **immediately revoke** the Credit Facility. As of the date of this letter, your ability to draw additional funds from the line of credit has been suspended.

To prevent further legal action or the initiation of default proceedings, you are required to perform one of the following actions by [Deadline Date]:

- Provide additional collateral acceptable to the Bank to cover the shortfall of \$[Shortfall Amount].
- Make a principal payment of \$[Shortfall Amount] to bring the loan-to-value ratio back into compliance.
- Repay the outstanding balance of \$[Total Balance] in full to close the account.

Failure to cure this shortfall by the deadline mentioned above will result in the Bank declared the loan in default and pursuing all available legal remedies under the Credit Agreement and applicable law.

Please contact your Relationship Manager, [Manager Name], at [Phone Number] or [Email] immediately to discuss your plan for resolution.

Sincerely,

[Signature]

[Name of Bank Representative]

[Title]