

[Date]

[Recipient Name]
[Recipient Title]
[Company Name]
[Company Address]

RE: Business Line of Credit - Financial Covenant Compliance Update

Dear [Recipient Name],

This letter serves as an official update regarding the financial covenants associated with the Business Line of Credit (Account Number: [Account Number]) held by [Company Name] with [Lender Name].

As per the terms of our Credit Agreement dated [Agreement Date], we are providing the updated figures for the reporting period ending [Period End Date]. Please find the current status of our primary covenants below:

- **Debt Service Coverage Ratio (DSCR):** [Current Ratio] (Required: [Required Ratio])
- **Debt-to-Equity Ratio:** [Current Ratio] (Required: [Required Ratio])
- **Current Ratio/Liquidity:** [Current Ratio] (Required: [Required Ratio])
- **Net Worth:** [Current Amount] (Required: [Required Amount])

Based on these calculations, [Company Name] is currently in [Full Compliance / Technical Default] with all financial covenants. [If in default, insert brief explanation and remediation plan here].

Attached to this letter are the following supporting documents for your review:

- Balance Sheet as of [Date]
- Income Statement for the period ending [Date]
- Accounts Receivable/Payable Aging Reports
- [Additional Required Document]

Please contact me at [Phone Number] or [Email Address] if you require further clarification or additional documentation regarding this update.

Sincerely,

[Your Signature]
[Your Printed Name]
[Your Title]