

[Date]

[Borrower Name]

[Borrower Business Name]

[Borrower Address]

[City, State, Zip Code]

Subject: NOTICE OF DEFAULT AND TRANSFER TO COLLECTION AGENCY

Dear [Borrower Name],

This letter serves as formal notification that your small business loan, Account Number [Account Number], is in default. Despite previous requests for payment, your account remains delinquent in the amount of \$[Total Balance Due].

Please be advised that as of [Date], we have officially transferred your account to the following collection agency for recovery:

[Collection Agency Name]

[Agency Address]

[Agency Phone Number]

Effective immediately, all further communications and payments regarding this debt must be directed to [Collection Agency Name]. Any payments sent to [Original Lender Name] will be forwarded to the agency, which may result in a delay in updating your account status.

This default and subsequent transfer may be reported to national credit bureaus, which may negatively impact your business and personal credit scores.

If you have already sent payment or have questions regarding the balance, please contact [Collection Agency Name] immediately to resolve this matter.

Sincerely,

[Your Name/Signature]

[Your Title]

[Lending Institution Name]