

**Date:** [Insert Date]

**To:** [Lender Name/Financial Institution]

[Address Line 1]

[Address Line 2]

**Subject: LETTER OF PLEDGE AND COLLATERAL GUARANTEE**

Dear [Name of Contact Person or Department],

This letter serves as a formal agreement by [**Pledgor Name**] (the "Pledgor"), located at [Pledgor Address], to pledge specific assets as collateral to secure the loan/credit facility granted to [**Borrower Name**] (the "Borrower") in the amount of [Loan Amount] under [Loan Agreement Reference Number/Date].

**1. Description of Collateral:**

The Pledgor hereby grants a security interest in the following assets (the "Collateral"):  
[Detailed Description of Asset, e.g., Property Title No., Vehicle VIN, Account Number, or Stock Certificates]

**2. Guarantee of Ownership:**

The Pledgor warrants that they are the legal and rightful owner of the Collateral, free from any prior liens, encumbrances, or legal restrictions, and have full authority to pledge the asset.

**3. Scope of Liability:**

In the event of a default by the Borrower under the terms of the Loan Agreement, the Lender is hereby authorized to seize, take possession of, and dispose of the Collateral in accordance with applicable laws to satisfy the outstanding debt, including interest and legal costs.

**4. Duration:**

This pledge shall remain in full force and effect until the loan is paid in full or the Lender issues a formal release of the security interest.

**5. Governing Law:**

This agreement shall be governed by and construed in accordance with the laws of [State/Country].

Sincerely,

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**[Pledgor Signature]**

[Printed Name of Pledgor]

[Title, if applicable]

**Witnessed By:**

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[Witness Name/Signature]