

[Lender Name]
[Lender Address]
[City, State, Zip Code]
[Phone Number]

[Date]

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

Subject: Notice of Interest Rate Adjustment

Dear [Borrower Name],

This letter is to inform you of a change in the interest rate and monthly payment for your automobile loan, account number [Account Number].

In accordance with the variable rate terms of your loan agreement, your interest rate is adjusted based on changes to the [Name of Index, e.g., Prime Rate]. As a result of a recent change in this index, your loan details have been updated as follows:

- **Old Interest Rate:** [Old Rate]%
- **New Interest Rate:** [New Rate]%
- **Effective Date of New Rate:** [Date]
- **New Monthly Payment Amount:** \$[Amount]
- **Date of First New Payment:** [Date]

Please ensure that your records and future payments are updated to reflect this new amount. If you have set up automatic recurring payments through a third-party bill pay service, you may need to manually update the payment amount.

If you have any questions regarding this adjustment or your loan account, please contact our customer service department at [Phone Number] or visit us online at [Website].

Thank you for your continued business.

Sincerely,

[Name/Department]
[Lender Name]