

**Date:** [Insert Date]

**To:** [Borrower Name]

**Business Name:** [Insert Business Name]

**Address:** [Insert Street Address]

**City, State, Zip:** [Insert City, State, Zip]

**From:** [Lender/Collection Agency Name]

**Address:** [Insert Lender Address]

**Phone Number:** [Insert Phone Number]

**RE: NOTICE OF DEFAULT AND DEBT VALIDATION**

**Account Number:** [Insert Account Number]

**Total Outstanding Balance:** \$[Insert Amount]

Dear [Borrower Name],

This letter serves as formal notice that your small business loan is currently in default due to non-payment. According to our records, your account is past due by [Number] days.

The total amount listed above includes the principal balance, accrued interest, and late fees as of the date of this letter. Unless you notify this office within thirty (30) days after receiving this notice that you dispute the validity of the debt or any portion thereof, this office will assume the debt is valid.

If you notify this office in writing within thirty (30) days from receiving this notice that you dispute the debt, we will obtain verification of the debt or obtain a copy of the judgment and mail a copy of such verification or judgment to you.

Upon your written request within the thirty-day period, we will provide you with the name and address of the original creditor, if different from the current creditor.

To resolve this matter and avoid further collection actions, please submit the full payment amount by [Insert Deadline Date]. If you are unable to pay the full amount, please contact us immediately at [Insert Phone Number] to discuss potential repayment options or a settlement agreement.

Sincerely,

[Signature]

[Name of Representative]

[Title]