

[Date]
[Lender Name]
[Lender Address]
[City, State, Zip Code]

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

RE: INITIAL WARNING OF IMPENDING LOAN DEFAULT

Account Number: [Loan Account Number]
Days Past Due: [Number of Days]
Outstanding Balance: [Total Amount Due]

Dear [Borrower Name],

This letter serves as an official notice regarding the status of your loan account mentioned above. Our records indicate that your account is currently past due, and we have not yet received the payment scheduled for [Date Payment was Due].

Please be advised that failure to bring your account current may lead to a formal default. A default status can have serious consequences, including:

- Reporting of the delinquency to major credit bureaus.
- Assessment of late fees and penalty interest.
- Acceleration of the total loan balance.
- Potential legal action or collateral repossession.

To avoid these actions, please remit a payment of [Amount Required to Catch Up] by [Deadline Date].

If you are experiencing financial hardship, we encourage you to contact our collections department immediately at [Phone Number] to discuss potential repayment options or restructuring. We prefer to work with you to find a resolution before further escalation is required.

If you have already sent your payment, please disregard this notice.

Sincerely,

[Sender Name]
[Title/Department]
[Lender Name]