

[Your Name/Company Name]

[Your Address]

[City, State, Zip Code]

[Phone Number]

[Email Address]

[Date]

[Borrower's Full Name]

[Borrower's Address]

[City, State, Zip Code]

**RE: NOTICE OF INTENT TO INITIATE LEGAL PROCEEDINGS**

Dear [Borrower's Name],

This letter serves as formal notice regarding your default on the Personal Loan Agreement dated [Date of Agreement], for the original principal amount of \$[Original Loan Amount].

As of [Current Date], your account is delinquent in the amount of \$[Total Amount Overdue], which includes the unpaid principal, accrued interest, and late fees. Despite previous requests for payment, the balance remains unpaid.

Please be advised that if the total amount of \$[Total Amount Overdue] is not received in full by [Deadline Date, e.g., 10 days from date of letter], we will have no alternative but to initiate formal legal proceedings against you to recover the debt.

Legal action may result in a court judgment that includes:

- The full outstanding balance of the loan;
- Accrued interest and future interest;
- Court costs and filing fees;
- Legal/Attorney fees (if applicable under the agreement).

A judgment may also allow for the garnishment of wages, seizure of assets, or liens against your property, and may negatively impact your credit rating.

To avoid litigation, please remit payment immediately or contact [Your Name/Representative Name] at [Phone Number] to discuss a final settlement arrangement.

Sincerely,

[Your Signature]

[Your Printed Name]