

[Your Name/Company Name]  
[Your Address]  
[City, State, Zip Code]  
[Phone Number]  
[Date]

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

**RE: FORMAL NOTICE BEFORE LEGAL ACTION - Loan Account #[Account Number]**

Dear [Borrower's Name],

This letter serves as a formal notice regarding your outstanding personal loan balance of \$[Total Amount Owed], which became due on [Original Due Date].

Despite previous reminders, your account remains in default. This is a serious matter. We are providing you with a final opportunity to resolve this debt before we initiate formal legal proceedings against you.

To avoid legal action, you must pay the full amount of \$[Total Amount Owed] by [Deadline Date]. Payment should be made via [Accepted Payment Methods].

Failure to settle this debt or contact our office to establish a signed repayment plan by the deadline will result in the following actions:

- Filing a lawsuit in a court of competent jurisdiction to recover the debt.
- Seeking a judgment for the principal amount, plus accrued interest, late fees, and legal costs.
- Reporting the default to major credit reporting agencies.

Please contact us immediately at [Phone Number] or [Email Address] to resolve this matter and prevent further escalation.

Sincerely,

[Your Signature]  
[Your Printed Name]