Date: [Insert Date]

[Borrower Name]
[Address Line 1]
[Address Line 2]
[City, State, Zip Code]

Account Number: [Insert Account Number]

Subject: Initial Graduated Payment Agreement

Dear [Borrower Name],

This letter serves as formal notification and agreement regarding the implementation of a Graduated Payment Plan for your outstanding balance of $[Total Amount].

Under this agreement, your monthly payments will start at a lower amount and increase at set intervals. The schedule for your payments is outlined below:

- **Phase 1:** $[Amount] per month from [Start Date] to [End Date]
- **Phase 2:** $[Amount] per month from [Start Date] to [End Date]
- **Final Phase:** $[Amount] per month starting on [Start Date] until the balance is paid in full.

Please be advised that because initial payments are lower, the total interest paid over the life of the loan may be higher. Interest will continue to accrue on the unpaid principal balance at a rate of [Interest Rate]% per annum.

By making the first payment due on [Date of First Payment], you acknowledge and accept the terms of this graduated schedule. All other terms and conditions of your original promissory note remain in full effect.

If you have any questions regarding this schedule, please contact our billing department at [Phone Number] or [Email Address].

Sincerely,

[Name of Sender/Officer]
[Company Name]
[Department Name]