

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

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

RE: NOTICE OF DISHONORED CHECK AND REVOCATION OF CREDIT TERMS

Dear [Customer Contact Name],

This letter serves as formal notification that your check number #[Check Number], dated [Check Date], in the amount of \$[Check Amount], was returned by our financial institution marked "Insignificant Funds" (or other reason).

As per our company policy and your signed credit agreement, a returned check fee of \$[Penalty Amount] has been applied to your account. This brings your total outstanding balance for this transaction to \$[Total Amount Due].

Please be advised that due to this returned payment, your "Net [Number]" credit terms are hereby revoked, effective immediately. Your account has been placed on a "Cash Only" or "Payment in Advance" basis. We will not process further orders until the outstanding balance is cleared via certified funds (Cashier's Check, Wire Transfer, or Money Order).

To restore your account to good standing, please provide payment for the total amount due by [Due Date].

If you have already sent the replacement funds, please disregard this notice. Otherwise, please contact our billing department at [Phone Number] to confirm receipt of payment.

Sincerely,

[Your Name]
[Your Title]
[Your Company Name]