

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

[Date]

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

RE: FINAL NOTICE - DISHONORED PAYMENT AND CANCELLATION OF TERMS

Dear [Recipient Name],

This letter serves as formal notification that your recent payment in the amount of \$[Amount], dated [Date of Payment], has been returned by the bank marked as [Reason: e.g., Insufficient Funds/Account Closed].

Due to this dishonored payment and your past-due balance of \$[Total Outstanding Balance], please be advised of the following actions:

- **Immediate Revocation of Credit Terms:** Effective immediately, your credit privileges and payment terms have been cancelled. All future orders must be paid via certified funds or cash in advance.
- **Requirement for Replacement Funds:** You are required to replace the dishonored payment with certified funds (Cashier's Check or Wire Transfer) plus a returned check fee of \$[Fee Amount] no later than [Due Date].
- **Final Demand:** Failure to settle the full outstanding balance by the aforementioned date will result in this account being transferred to a third-party collection agency or legal counsel for further action.

Please contact our billing department immediately at [Phone Number] to confirm receipt of this notice and to arrange for payment.

Sincerely,

[Your Name/Signature]
[Your Title]