

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

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

RE: NOTICE OF DISHONORED CHECK AND REVOCATION OF CREDIT TERMS

Dear [Recipient Name],

This letter serves as formal notice that check number [Check Number], dated [Check Date], in the amount of \$[Amount], submitted for payment on [Invoice Number/Account Number], was returned by the bank marked "Insufficient Funds" or "Account Closed."

Pursuant to state law, demand is hereby made for the payment of the full amount of the check, plus a returned check fee of \$[Fee Amount], for a total balance of \$[Total Amount Due].

Please be advised that due to this payment failure, your "Net Terms" credit privileges are hereby revoked, effective immediately. All future orders must be paid via certified funds, wire transfer, or credit card at the time the order is placed. Your account will remain on "Pre-payment Only" status until further notice.

To resolve this matter and avoid further collection action or legal proceedings, please remit the total amount due in certified funds (Cashier's Check or Money Order) to our office within [Number] days of the date of this letter.

Please contact our accounting department at [Phone Number] if you have any questions regarding this balance.

Sincerely,

[Your Name/Signature]
[Your Title]