

[Date]

[Customer Name]

[Customer Address]

[City, State, Zip Code]

RE: NOTICE OF RETURNED CHECK AND TERMINATION OF CREDIT TERMS

Dear [Contact Person Name],

This letter is to formally notify you that your check number #[Check Number], dated [Check Date], in the amount of \$[Amount] has been returned by our bank marked "[Reason, e.g., Non-Sufficient Funds]".

As a result of this returned payment, we require immediate replacement of these funds plus a returned check fee of \$[Fee Amount]. Please provide payment via certified funds (Cashier's Check, Money Order, or Wire Transfer) no later than [Date].

Furthermore, due to this breach of our payment agreement, we are hereby terminating your "Net [Number]" billing terms effective immediately. Your account has been placed on "Cash on Delivery" (COD) or "Pre-payment" status for all future orders.

We value your business, but we must ensure consistent payment reliability to maintain our partnership. To discuss the reinstatement of credit terms in the future, your account must remain in good standing for a minimum of [Number] months.

Please contact our accounts department at [Phone Number] or [Email Address] to confirm your payment has been sent.

Sincerely,

[Your Name/Signature]

[Your Title]

[Company Name]