

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

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

Subject: NOTICE OF REVOCATION OF CREDIT TERMS

Dear [Customer Name],

This letter is to formally notify you that we have received notice from our bank regarding a dishonored check (Check No. [Check Number]) in the amount of \$[Amount] dated [Check Date], which was returned for [Reason, e.g., Insufficient Funds].

Due to this default in payment, your current credit terms with [Your Company Name] are hereby revoked, effective immediately. Your account has been placed on a "Cash Only" or "Payment in Advance" basis for all future orders.

To restore your account to good standing and avoid further collection action, we require the following within [Number] business days:

- Replacement of the dishonored check amount (\$[Amount]) via certified funds or wire transfer.
- Payment of our standard returned check fee of \$[Fee Amount].
- Payment of any other outstanding balances currently due on your account.

Once the total balance is cleared, we may consider an application to reinstate credit terms after a period of [Number] months of consistent cash-basis performance.

Please contact our billing department at [Phone Number] or [Email Address] to confirm payment.

Sincerely,

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