

Prepayment Penalty Clarification

Date: [Insert Date]

Client Name: [Insert Client Name]

Client Address: [Insert Client Address]

Dear [Client Name],

We hope this message finds you well. We are writing to clarify the terms regarding prepayment penalties associated with your loan agreement.

As per the agreement signed on [Insert Date of Agreement], a prepayment penalty may apply if the loan is paid off before the end of the specified period. The prepayment penalty is calculated as follows:

- The penalty will be [Insert Percentage]% of the remaining principal balance.
- This penalty will be applicable if the prepayment occurs within the first [Insert Time Period] of the loan term.
- No penalty will apply after this period.

If you have any questions regarding this matter or if you require further clarification, please do not hesitate to reach out to us at [Insert Contact Information].

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Title]

[Your Company]