

Prepayment Penalty Clarification

Date: [Insert Date]

To: [Borrower's Name]

[Borrower's Address]

Dear [Borrower's Name],

We are reaching out to clarify the terms regarding the prepayment penalty associated with your loan agreement dated [Insert Loan Agreement Date]. As we value transparency in our relationship, we want to ensure you fully understand how this penalty applies.

The prepayment penalty is a fee that may be charged if you pay off your loan earlier than the agreed-upon schedule. Here are the key points regarding this penalty:

- The penalty amount is [insert amount or percentage].
- The penalty applies only if you repay the loan within the first [insert number] months/years of the loan term.
- After this period, no prepayment penalty will apply.

If you have any further questions or need additional clarification, please do not hesitate to reach out to us at [Insert Contact Information]. We are here to assist you.

Thank you for choosing [Your Company Name].

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]

[Company's Contact Information]