

Prepayment Penalty Disclosure

Date: [Insert Date]

[Borrower's Name]

[Borrower's Address]

[City, State, Zip Code]

Dear [Borrower's Name],

This letter serves as a formal disclosure regarding the prepayment penalty associated with your loan agreement dated [insert loan agreement date] for the amount of [insert loan amount].

Please be advised that if you choose to pay off the loan in full before the maturity date, a prepayment penalty may apply. The terms of the prepayment penalty are as follows:

- Amount of the prepayment penalty: [insert amount or formula]
- Applicable period during which the penalty will apply: [insert specific time frame]
- Conditions under which the penalty is waived: [insert relevant conditions]

If you have any questions or require further clarification regarding this disclosure, please do not hesitate to contact us at [insert contact information].

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Title]

[Company Name]

[Company Address]

[City, State, Zip Code]