

Balloon Payment Disclosure

Date: [Insert Date]

To: [Insert Borrower's Name]

Address: [Insert Borrower's Address]

Dear [Borrower's Name],

This letter serves as a disclosure regarding the balloon payment associated with your loan agreement dated [Insert Agreement Date]. Under the terms of this agreement, a substantial payment is due at the end of the loan term.

Loan Amount: [Insert Loan Amount]

Interest Rate: [Insert Interest Rate]

Loan Term: [Insert Loan Term in Months]

Balloon Payment Amount: [Insert Balloon Payment Amount]

Please be aware that at the end of this loan term on [Insert Maturity Date], a balloon payment of [Insert Balloon Payment Amount] will be due. This amount is significantly larger than your regular monthly payments.

It is important to understand that, should you be unable to make this balloon payment, you may need to refinance your loan, sell the collateral, or explore other options.

If you have any questions about this balloon payment or your loan agreement, please do not hesitate to contact us at [Insert Contact Information].

Sincerely,

[Your Name]

[Your Title]

[Company Name]

[Company Address]

[Company Phone Number]