

Notice of Loan Default Consequences

Date: [Insert Date]

Borrower Name: [Insert Borrower Name]

Borrower Address: [Insert Borrower Address]

Dear [Borrower Name],

We are writing to inform you of the serious consequences associated with your loan default as of [Insert Default Date]. It is imperative that you understand the implications of failing to meet your repayment obligations.

Consequences of Loan Default:

- **Negative Credit Impact:** Your credit score will suffer, affecting your ability to secure future loans.
- **Legal Action:** We may initiate legal proceedings to recover the owed amount.
- **Increased Interest Rates:** Future borrowing could incur higher interest rates due to perceived risk.
- **Loss of Collateral:** If the loan was secured, you risk losing the asset used as collateral.

We encourage you to contact our office at [Insert Contact Information] to discuss potential options to remedy this situation and avoid the escalation of these consequences.

Thank you for your attention to this critical matter.

Sincerely,

[Your Name]

[Your Title]

[Your Company]