**DRAFT CREDITOR LETTER**

**How to use this template:**

The specific information to insert is [in brackets in red text]. Once the information has been inserted, the brackets and bracketed text should be deleted and modified to a black font.

Delete this entire text box before proceeding.

[YOUR ADDRESS LINE 1]

[YOUR ADDRESS LINE 2]

[YOUR ADDRESS LINE 3]

[DATE]

[NAME OF CREDITOR]

[THEIR ADDRESS LINE 1]

[THEIR ADDRESS LINE 2]

[THEIR ADDRESS LINE 3]

 Re: [INSERT ACCOUNT NUMBER, PROPERTY ADDRESS, AND/OR BUSINESS NAME]

Dear [INSERT NAME OF CREDITOR]:

[BUSINESS NAME] has been weathering the negative financial impact of the COVID-19 pandemic. Unfortunately, [BUSINESS NAME] does not have the capital to meet our [INSERT TYPE OF DEBT OUTSTANDING, E.G. LEASE OBLIGATIONS, OUTSTANDING PHONE BILL, UTILITIES BILL] with [CREDITOR NAME].

We are taking all reasonable steps to bring our operating expenses in line with our remaining revenue, such as [INSERT EXAMPLES, E.G. FURLOUGHS, SHORTENED OPERATING HOURS, WAGE CUTS, ETC.]. However, these efforts unfortunately fall short. At this time, we are requesting [CREDITOR NAME] agree to [ENTER INTO A PAYMENT PLAN ON THE TERMS DESCRIBED BELOW / DEFER PAYMENTS ON THE TERMS DESCRIBED BELOW / TERMINATE THE (DESCRIBE THE AGREEMENT)].

[ALTERNATIVE 1 – PAYMENT PLAN] We propose entering a payment plan where we pay a reduced amount of [INSERT AMOUNT] for the next [ENTER NUMBER OF MONTHS] months and remit the balance between the paid amount and the contracted amount during these [ENTER NUMBER OF MONTHS] in equal monthly installments over the subsequent 12 months.

[ALTERNATIVE 2 - PAYMENT DEFERRAL] We propose that beginning with the payment due on [DATE] and continuing through and including the payment due on [DATE] will be deferred (the “Deferred Payments”). During this period, [CREDITOR] agrees to waive any late fees. [BUSINESS NAME]’s regular payments will continue on [DATE] and the Deferred Payments will be repaid in event installments over [NUMBER] months.

[ALTERNATIVE 3 - EARLY TERMINATION] As we are unable to meet our obligations under the [AGREEMENT], we are requesting an early termination of the [AGREEMENT].

If this course of action is agreeable to you, please contact me at the [PHONE NUMBER / EMAIL ADDRESS] listed below to discuss in further detail.

Best regards,

[YOUR NAME AND SIGNATURE]

[PHONE NUMBER AND EMAIL ADDRESS]