What is a debt collection letter?

A debt collection letter is a formal debt reminder that you send (or hire a collection agency to send) to a nonpaying client. You can send a debt collection letter to a B2B client (another business) or an individual consumer.

The first couple of debt collection letters you send to a debtor can be relatively friendly and sympathetic. However, as you send additional debt collection letters, you may need to escalate what you write to include warnings of impending legal action.

What is the purpose of a debt collection letter?

Informing debtors that they owe you money

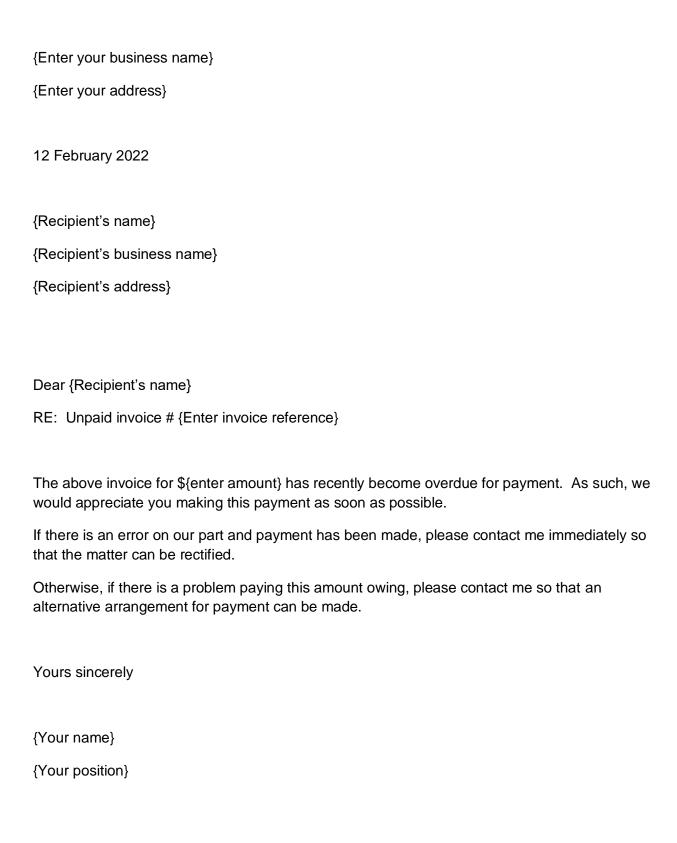
Establishing a payment process.(options)

Starting legal proceedings (yourself or hire an agency)

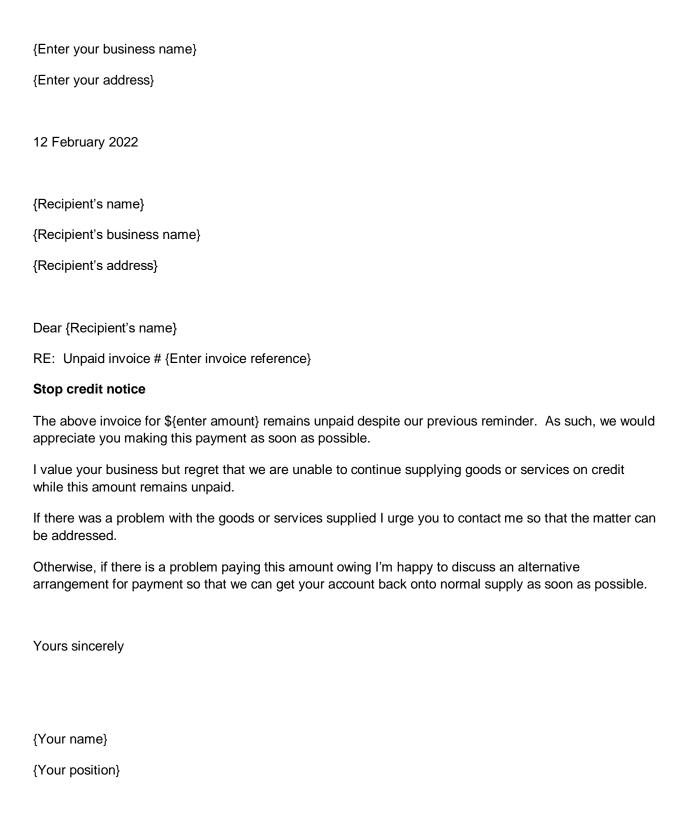
What should be included in a debt collection letter?

- The amount the debtor owes you
- The initial due date of the payment
- A new due date for the payment, whether ASAP or longer
- Instructions on how to pay the debt
- In your first debt collection letter, phrasing that advises the debtor to contact you
 if the debt has indeed been paid and you are in error
- In the early stages of collection, a friendly but firm reminder that payment is due ASAP
- In the early stages of collection, a note that you would like to retain the client but require payment to do so
- In the late stages of collection, a firm (but not quite unfriendly) warning of impending legal action, such as sending the debtor to collections
- In the late stages of collection, a note that the debtor has the right to dispute their debt via debt validation letter sent within a given timeframe of receiving your debt collection letter

Reminder 1



Reminder 2



Reminder 3

