

Creditor refuses to freeze interest

Creditor address

Dear Sir/Madam

Account No:

Thank you for your letter of _____ concerning the above account. We are sorry that you feel unable to suspend interest charges on the above account. The majority of our other creditors have agreed to the offer of payment and agreed to suspend any interest charges still accruing. They have accepted that to continue to charge interest would not assist us in our present financial difficulties, and can only serve to increase our total debt.

As you are aware, we have already paid considerable sums in interest to our account. If interest charges continue, the monthly instalments we are paying will not even cover that interest. Also, the cooperation of our other creditors who have agreed to freeze interest already would be put at risk.

We would therefore be grateful if you would reconsider your decision not to freeze the interest. This would mean that the monthly payments we make would actually reduce the balance outstanding to your company.

We look forward to hearing from you as soon as possible.

Yours faithfully