

DEMAND LETTER FOR PAYMENT

_____, _____

_____, _____

January 11, 2022

Dear _____,

As of the above date, you still owe _____ for _____. Your payment is past due by _____ days. Your original due date was _____. As a result of the delay, you now owe _____ of the total amount in late charges.

If you have any questions please contact me via at the contact information listed below. If you do not provide payment within _____ days of receiving this letter, we may pursue further legal action.

Best regards,

_____, _____

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GENERAL INSTRUCTIONS

What is a Demand for Payment?

A Demand for Payment is a formal, written document detailing a debt owed. This document also outlines how a debt should be paid, and the consequences if it isn't repaid by a certain date.

In many jurisdictions, when first recovering a debt, parties first try to recover it through means other than small claims court or a lawsuit. Think of a demand for payment letter as an initial, non-confrontational approach to recovering a debt. It usually includes the following elements:

- **Date debt was incurred:** the date the unpaid was completed;
- **Details of debt:** facts describing the nature of the debt;
- **Expectations for payment:** clear and definitive expectations of the payment, including a date the payment should be made by;
- **Consequences for non-payment:** for example, if an author intends to sue for an unpaid debt, this should be included in the letter.

When Do I Need One?

Demand for payment letters should be used in any circumstance where someone owes you money. Remember, every situation is fact specific and should be approached differently. All in all, you should use a demand for payment letter in any case where you believe you have a legal claim regarding a debt owed.

The Consequences of Not Having One

There are a couple of potential consequences for not sending a demand for payment. The first, and most obvious, is you may never get paid. Consider, just as you have many things going on in your life, so too do the people that owe you money and it's possible they simply

letter, you may be leaving money on the table. Additionally, you may not be able to proceed with a lawsuit if you have not first filed a demand for payment.

The Most Common Situations of Using One

The most common situations are:

- When someone owes you money, and
- When someone has charged you money for something you didn't receive (or, didn't receive as advertised).

What Should Be Included?

There is certain fundamental information which should be included in a demand for payment letter. Such information is detailed below:

- Party information: both the person owed the debt, and the person owing the debt, should be identified;
- Date debt was incurred: the date the unpaid for work was completed; or
- Date debt was improperly charged: if the dispute surrounds a charge for services not rendered or other improper charge, the date of the charge;
- Details of debt: facts describing the nature of the debt, including:
 - The nature of the agreement;
 - The amount agreed to; and
 - How the agreement was not followed.
- Details of prior attempts to collect the debt: information such as calls made, emails sent, invoices mailed;
- Expectations for payment: expectations should be clear and definitive, including a date the payment must be made by;
- Consequences for non-payment: if the author intends to sue if the debt isn't paid, this should be included in the demand for payment; and
- Signature: the author should personally

forgot about their debt. Perhaps they assumed their spouse had paid the debt. Without sending a demand

sign the document.