

[Your Company Letterhead]

[Date]

[Recipient's Name]

[Recipient's Title]

[Recipient's Company]

[Recipient's Address]

[City, State, Zip Code]

Dear [Recipient's Name],

Subject: Hypothecation Letter

We are writing to formally communicate our intention to hypothecate the following assets: [describe the assets, e.g., "the inventory located at [address or location]"]. This hypothecation is intended to secure a loan facility provided by [Lender's Name] under the terms outlined in the loan agreement dated [Loan Agreement Date].

As per the terms of our agreement, we acknowledge that the assets listed above will serve as collateral for the loan amount of [Loan Amount]. We assure you that we will remain in compliance with all obligations until the loan is fully settled.

Please acknowledge receipt of this letter and confirm your acceptance of the hypothecation of the mentioned assets. Should you require any additional information or further documentation, feel free to contact me directly at [Your Phone Number] or [Your Email Address].

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]

[Your Contact Information]

[Your Company Website]