

[Your Company Letterhead]

[Date]

[Recipient Name]

[Recipient Address]

[City, State, Zip Code]

Subject: Hypothecation Disclosure

Dear [Recipient Name],

We are writing to inform you about the hypothecation of assets related to your account with [Your Company Name].

1. ****Definition of Hypothecation**:**

Hypothecation involves pledging assets as collateral for a loan without transferring ownership.

2. ****Assets Involved**:**

The following assets have been hypothecated:

- [Asset Description 1]
- [Asset Description 2]
- [Asset Description 3]

3. ****Purpose of Hypothecation**:**

The hypothecation is done for the purpose of securing [specific reasons or loans].

4. ****Rights and Obligations**:**

- You retain ownership of the hypothecated assets.
- In the event of default, [Your Company Name] has the right to claim the assets to satisfy the debt.

5. ****Duration**:**

The hypothecation will remain in effect until [specific duration or conditions for release].

If you have any questions regarding this disclosure or the terms outlined above, please feel free to contact us at [Your Contact Information].

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]

[Your Contact Information]