

[Your Company Letterhead]

[Date]

[Employee's Name]

[Employee's Address]

[City, State, Zip Code]

Subject: Company Policy on Loan Advances

Dear [Employee's Name],

This letter serves to outline the company's policy regarding loan advances to employees. Please review the following guidelines:

1. ****Eligibility****

- Employees must have completed [X months/years] of continuous service.
- Employees must not have any outstanding disciplinary actions.

2. ****Application Process****

- Submit a formal application to [HR/Finance Department] using the designated form.

- Include details of the loan amount requested and purpose.

3. ****Loan Limits****

- The maximum loan amount available is [specify amount or percentage of salary].

4. ****Repayment Terms****

- Loan repayments will be made through payroll deductions.
- The repayment period will not exceed [X months/years].

5. ****Interest Rate****

- Loans will carry an interest rate of [X%] per annum.

6. ****Approval Process****

- All applications will be reviewed by [name/department] and will be subject to approval.

- Decisions will be communicated within [X days/weeks].

7. ****Default Policy****

- Failure to comply with repayment terms may result in disciplinary action, up to and including termination.

For any queries regarding this policy, please contact [HR/Finance Department contact information].

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Title]

[Company Name]

[Company Contact Information]