[Name of Recipient]

[Address of Recipient]

Date:

**Subject: Agreement for Short Term Loan**

Dear Mr. / Mrs. [Name of the Recipient],

I am writing this to inform you that your request for the short-term loan has been approved. This letter is to make the agreement of a short-term loan official between you, [mention Name of the Recipient], and [mention Bank Name]. As per this agreement, the bank will provide you a total sum of [mention Amount] for a period of 12 months at [mention Interest Rate], commencing from [mention Date of Commencement].

You will have to pay the amount of principal and interest till the 10th of every month. However, if you failed to pay us the amount of principal or interest or both, then we will be forced to take legal action in this regard.

If you have anything further to ask, feel free to contact me anytime during business hours.

Thanks!

Sincerely,

[Sender Name]

[Sender Signature]

[Sender Designation]

[Sender Contact Details]