

**First Letter Prior to Default**

Should be sent at least 45-60 days prior to crop year end

This is to remind you that you have an advance outstanding in the amount of \$ \_\_\_\_\_ under the Advance Payments Program and that you agreed to pay this on or before (date specified in the agreement).

We are looking forward to receiving your payment by the above noted date. Cheques should be made payable to (name of Administrator) and forwarded in the enclosed envelope. Please be advised that if you do not repay the advance by (date) you will be responsible for the interest on the outstanding balance of the advance from the date of the original advance. As well, (you will not be eligible for a future advance until this balance is cleared.) or (you will be ineligible for an advance for a period of \_\_\_\_.)

If you have any further questions, please call me at \_\_\_\_\_.

Thank you in advance for your cooperation.

Yours truly,

**Second Default Letter**

Should be sent no later than 15 days after crop year end

You obtained an advance on your (crop year) crop which was to be repaid by \_\_\_\_\_ (end of crop year). As you have not met this commitment, you are now in default under the Advance Payments Program.

As mentioned in my last letter, you are now required to repay your advance plus the interest on your outstanding balance from the day you received the advance. Currently you owe \$ \_\_\_\_\_ in principal plus interest to date in the amount of \$ \_\_\_\_\_.

Please contact me as soon as possible to discuss arrangements for repaying this outstanding advance. As you have been advised (you will be unable to obtain any future advances until this outstanding advance and related interest is completely repaid) or (you will remain ineligible after the advance is repaid for a period of \_\_\_\_). I must also advise you that under the Act you are required to pay all collection costs related to this defaulted advance, including any necessary legal costs.

I strongly encourage you to contact me directly at the above address or by phone at \_\_\_\_\_ within the *next business day* of receiving this letter.

Yours truly,

**cc: All partners, shareholders and members** who have signed the Joint and Several Guarantee.

**Third Default Letter**

Should be sent no later than 20 days after the letter number two

**“REGISTERED MAIL”**

This is further to my first letter of (date) reminding you of your outstanding advance and my second letter of (date) in which I advised you that you are in default under the Advance Payments Program for \$ \_\_\_\_\_ plus interest accruing back to the date of the original advance.

In my last letter I requested that you contact me to arrange for repayment. To date you have not responded.

Please be advised that if a suitable repayment arrangement cannot be reached by (date 2-3 weeks), the (PO name) will have no choice but to request Agriculture and Agri-Food Canada to honour its guarantee. Once the guarantee has been honoured, your defaulted advance will become a debt owed to the Crown and subject to the various collection methods used by the federal government to recover taxpayer money. These methods may include withholding of future federal government payments, placing the debt with a private collection agency or taking legal action.

It is clearly to your advantage to establish an acceptable repayment agreement now while the (PO name) is able to mediate on your behalf.

We look forward to hearing from you prior to the ( above date).

Yours sincerely,

**cc: All partners, shareholders and members** who have signed the Joint and Several Guarantee.

**Fourth Default Letter**

Should be sent no later than 30 days after letter number three

As a follow up to my earlier letters of (date),(date) and (date), this is to inform you that we have requested Agriculture and Agri-Food Canada to honour the guarantee of your advance under the Advance Payments Program. As a result, your outstanding advance is now a debt owed to the Crown.

You can expect to be contacted in the near future by a representative of the federal government regarding the debt. If you are unable to make an acceptable arrangement to repay the debt, further action by the government may involve, among other methods, the use of collection agencies.

Under the Act, you must now repay the advance plus all the interest on your outstanding advance since the day you received the advance as well as all costs incurred in trying to collect the advance including legal costs. As an example, the cost of using a collection agency could increase your debt to the Crown by 20-25%. Also, any federal payments to you could be withheld and applied against your debt.

We regret that you were unable to make arrangements for the repayment of this outstanding advance with us. As stated in the Advance Payments Program you are ineligible for any future advance payments until this debt is completely repaid.

If we can be of any further assistance to you in this matter please feel free to contact us.

Yours truly,

**cc: All partners, shareholders and members** who have signed the Joint and Several Guarantee.