[Enter your Name and Address here]

[Enter your Creditors Name and Address here]

[Enter Date here]

Dear Sir/Madam

Account / Reference Number: [Enter your Creditor Account / Reference Number here]

Thank you for your letter of [Enter date on creditors letter you received here] concerning the above account.

I am writing to confirm that I am not prepared to agree to a voluntary charge on my property as requested by you, in respect of the debt to your company.

As already discussed with you, I have a number of creditors, apart from yourselves. To allow you to obtain a charge on my property would be to grant your company preferential status, and could therefore prejudice the rights of my other creditors, all of whom have already accepted my proposals without any request for additional security.

In addition, whilst it is not my intention in any way to be un-cooperative, I am not prepared to allow a debt which is currently unsecured to become a secured debt and therefore put my home at risk.

As you will see from the Personal Budget which I have already submitted, an offer to your company is still open for you to accept. This is based on my income and expenditure, and a pro rata of distribution of available income. I would therefore hope that you will follow the lead taken by the other creditors, and accept my proposals without attaching unnecessary conditions.

Furthermore, whilst of course I wish to avoid legal action, I am aware that your company may attempt to pursue this debt through the High Court, the court would look at my circumstances and order a level payment which I could afford, and in addition would freeze interest on the account.

I would bring to your attention that if I were to maintain payments as ordered by the High Court, your company would be unable to obtain a Charging Order against me. This is further reason why I do not wish to allow a secured charge on my home.

May I take this opportunity of expressing my sincere hope that we can come to a mutually acceptable

arrangement, that will allow repayment to my creditors at a level which is affordable based on my

financial circumstances which would prove to be in both of our interests.

Should my circumstances improve I will contact you immediately.

I look forward to hearing from you as soon as possible.

Yours faithfully

[Enter you Name here]