

**Date:** [Insert Date]

**To:** [Insert Borrower/Entity Name]

**Attn:** [Insert Principal Name]

**Address:** [Insert Address]

**RE: ADVISORY NOTICE - Personal Guaranty Exemption Red Flag Review**

Dear [Insert Name],

In connection with your request for a Personal Guaranty Exemption regarding [Insert Loan/Account Number or Project Name], this letter serves as a formal advisory notice concerning specific "Red Flags" identified during our underwriting and compliance review.

While an exemption from a personal guaranty is being considered, the following factors have triggered a secondary review requirement:

- **Financial Threshold Discrepancies:** The entity's debt-to-equity ratio or liquid asset reserves do not currently meet the minimum requirements for a non-recourse waiver.
- **Entity Governance:** Incomplete documentation regarding the organizational structure or lack of clarity regarding ultimate beneficial ownership.
- **Credit Risk Concentration:** Significant reliance on a single revenue stream or contract which increases the risk profile of the entity.
- **Market Volatility:** Recent fluctuations in the [Insert Industry] sector that necessitate additional security measures.

**Action Required:**

To proceed with the exemption request, please provide the following supplemental information by [Insert Date]:

1. Certified financial statements for the last two fiscal quarters.
2. A detailed schedule of all current contingent liabilities.
3. A formal resolution from the Board of Directors authorizing the non-recourse request.

Failure to address these red flags may result in the requirement of a partial or full personal guaranty to secure the requested credit facilities. We will notify you of the final determination once the secondary review is complete.

Sincerely,

[Your Name/Signature]

[Your Title]

[Organization Name]