

SAMPLE REQUEST FOR CHANGE IN PAYMENT TERMS LETTER

December 21, 2005

Mr. John Smith
Vice President Sales
XYZ Corporation
1 Main Street
Big Town, VA 57221

Dear Mr. Smith:

This letter is to request a change in the payment terms that you presently offer our organization.

Our organization is able and willing to pay your invoices more promptly than the normal thirty-day business terms or what your present payment terms require.

Because of the time value of money you will obtain a cost reduction when we make payment within 10 days. Your cash flow will improve and your need for borrowing will be reduced. Therefore, we are requesting that your new payment terms to us are 2% 10, Net 60.

These new payment terms will be favorably considered when we are comparing total costs from all of our suppliers.

Sincerely yours,

Mary A. Jones
Purchasing Manager