

Hardship Letter Guidelines

State the following items in your handwritten hardship letter:

1. **The hardship:** What are your hardships (current and past). For example... unemployment, divorce, death in family, car accident, medical bills, business failure, etc. Go into a little detail about each hardship.
2. **Your assets:** Explain that you have no assets with which to continue paying. State that:
 1. You will not be able to get current again on your loan
 2. You will not have enough income to make future payments
3. **Length:** It is best if the letter is only one page in length.
4. **DO NOT:** Spend a lot of time blaming other people... negotiators do not have sympathy for relationships that have gone bad. Rather than “my boss was a jerk so he fired me” say “I was involved in a department downsizing process”.
5. **Bankruptcy:** If you are considering bankruptcy, you can mention “I don’t want to have to file Bankruptcy but it may be my only recourse if I can’t sell my house”.
5. **Typed:** If your handwriting is so bad that the letter would be difficult to read, you may type the letter.

Remember, a human being (negotiator) with the lender will be reading your letter... you want to explain the hardship in a way they will understand and have sympathy for your situation.

Several sample letters follow.

Please use black ink!

- Sample -

To whom it may concern:

We have been unable to make the payments on our house and we are now facing foreclosure. Our inability to keep up with the monthly payments is the result of health problems. Our son was involved in a skiing accident that has drained our resources. We don't know how we will pay all the medical bills. In addition Mary Ann has been reduced to 20 hours a week at work due to a downturn in lumber sales.

Due to our current financial situation, we expect that things will only get worse. We are not in a position to continue making mortgage payments. Other creditors are calling daily for payments we just don't have. We are trying hard to stay out of bankruptcy. This is not at all what we intended and have come to the conclusion that our only option is to move out and try to sell the home as soon as possible.

Your help and consideration in this matter are very much appreciated.

John [REDACTED] (John [REDACTED]) 6-12-05

Mary Ann [REDACTED] (Mary Ann [REDACTED]) 6-12-05

To whom it may Concern,

We have lived in this home for nearly 3 years without any late payments.

Five months ago John lost his job at the lumber yard due to the down turn in home construction. He has applied at all the lumber yards in northern Utah with no luck. In addition, my Real Estate Agent income has been cut in half due to the economy. Very few people are looking for homes right now.

We are unable to catch up on the payments we missed for the past 4 months and will not be able to make future payments.

Our house is worth less than our mortgage payoff. Fortunately, we have an offer to buy our house and ask you to consider this fair market value offer, even though it is less than the payoff.

Please help as quickly as you can.

[Redacted signature]

5/16/08

[Redacted signature]

5-16-08

Sample