

HARDSHIP LETTER GUIDE

One of the items your lender or servicer will ask for during the loan workout or loan modification process is a hardship letter. A hardship letter is a written explanation as to what "event" has caused or will cause you to fall behind on your mortgage and it vital in helping you **stop foreclosure** and/or **achieve a loan workout**. This letter acts much like an outline or biography of your current "life" issues that are affecting your ability to meet your financial obligations.

Please keep in mind that you are composing the hardship letter for your lender or servicer and because of the foreclosure crisis, they are extremely busy and back logged. Keep it short and to the point. Usually 1 or at maximum 2 pages is more than enough to get your point across.

Here is a sample list of hardships that lenders consider during the loan workout process:

- Adjustable Rate Mortgage Reset- Payment Shock
- Illness
- Loss of Job
- Reduced Income
- Failed Business
- Job Relocation
- Death of Spouse or Co-Borrower
- Incarceration
- Divorce
- Marital Separation
- Military Duty
- Medical Bills
- Damage to Property (natural disaster or unnatural)
- Other (Please Specify)

Now that you understand what your lender or servicer is looking for, it's time to sit down and write a hardship letter. LoanMod.com makes it easy for you by providing you with sample templates below that you can use as a boiler plate for your own letter. **Make sure you make your hardship letter unique to your situation.**

Date: _____

Re: **Hardship Letter**

Name: _____

Address: _____

Mortgage Co: _____

Loan Number: _____

I/We, _____, are requesting that you review my/our financial situation to see if I/We qualify for a modification.

I/We are having problems making monthly payments because of financial difficulties created by (check all that apply):

- | | | |
|--|---|---|
| <input type="checkbox"/> Separation | <input type="checkbox"/> Illness | <input type="checkbox"/> Death of a Family Member |
| <input type="checkbox"/> Unemployment | <input type="checkbox"/> Reduced Income | <input type="checkbox"/> Divorce |
| <input type="checkbox"/> Medical Bills | <input type="checkbox"/> Too Much Debt | <input type="checkbox"/> Death of My Spouse |
| <input type="checkbox"/> Payment Increase | <input type="checkbox"/> Business Failure | <input type="checkbox"/> Job Relocation |
| <input type="checkbox"/> Damage to Property | <input type="checkbox"/> Military Service | <input type="checkbox"/> Incarceration |
| <input type="checkbox"/> Other (Please Specify): _____ | | |

This difficulty or situation happened on or about this date _____.

I/We believe that my/our situation is Temporary/Permanent.

Below is a brief account of the situation:

I/We, _____, state the information provided above to be true and correct to the best of my/our knowledge.

Respectfully,

Borrower's Signature : _____

Co-Borrower's Signature : _____