

## Hardship Letter Suggestions & Tips

The foreclosure hardship letter is a very important component of any request for a loan modification or a short sale package. Loan modifications or short sales are options that can be considered for individuals facing foreclosure.

Loan modifications are used when homeowners want to save their home from foreclosure and have the financial means to get back on track with delinquent payments.

Short sales are utilized when the homeowner is unable to once again become current on the mortgage payments. Once a lender accepts the conditions of a short sale the homeowner is allowed to sell their home for less than the amount owed on the mortgage note.

For most people, the foreclosure hardship letter is can be difficult to write as it can certainly be challenging to express the circumstances that have led to a borrower to fall behind on their mortgage payments.

Please note that the hardship letter will be read by a Loss Mitigator employed by the lending institution. Numerous hardship letters are read by loss mitigators every day therefore it should be noted that the letter should be short and to the point.

When writing a foreclosure hardship letter, utilize a business format that includes your name, address, city, state, zip and phone number at the top of the paper.

Next, include the name of the loss mitigator, the name of the lending institution and the address. The next line should include the date, then your loan number.

The body of the letter should be between four to six paragraphs. Close the letter with by signing and printing your name.

Upon completion send the foreclosure hardship letter via certified mail and request a return receipt. This will ensure you have proof you sent the letter. The return receipt must be signed by someone at the lending institution and a signature card will be returned to you in the mail verifying receipt. Keep the receipt for your records.

Please review the "Sample Hardship Letter"

Joe and Jane Smith  
123 Anywhere Street  
Anytown, State 12345  
Sue Jones

Any Town Lender  
123 Anywhere Street  
Anytown, State 12345  
Today's Date  
RE: Your Loan Number (include either Loan Modification or Short Sale)

Dear Ms. Jones,

I (we) am contacting you today to explain the circumstances which have caused me to fall behind on my mortgage payments. Although I have done everything possible to improve my financial situation, I am still short on the money owed to you. I would greatly appreciate the opportunity to obtain a loan modification (or short sale).

The primary reason I have become delinquent in my mortgage payments is (explain the reason here). Since my income at this point is quite limited I do not have the income or the financial means to pay my regular monthly mortgage payment, I am falling further behind and am concerned I will not be able to pay what is owed. I truly want to pay what is owed, but at this point I have exhausted all options and therefore I am at a loss for understanding how to follow through with further payments. Unfortunately I am in a situation where I must turn to you for assistance.

My intent is request consideration on your behalf to temporarily reduce or suspend my mortgage payments. I'm requesting this for a few months which will enable me get my finances back on track.

My home certainly means a great deal to me and my desire to work with you to prevent it from reaching the foreclosure process.

At your earliest convenience, please advise me of any/all options available to me based on preventing foreclosure. I am anxious to reach some form of an agreement that will work for all involved parties.

Your understanding is very much appreciated.

Respectfully yours,  
Print name of Borrower(s)  
Signature of Borrower(s)  
Loan #  
Address  
Phone  
email address (if applicable)