



The Hardship Letter

The hardship letter states the reason why you cannot make the mortgage payment. The Hardship Letter should be an honest, heartfelt statement outlining the circumstances that have created the problem. This letter is the main reasoning to the situation, so the mortgage lender can take into consideration to your circumstance. The letter should include the following components:

1. A brief apology for having to ask the lender to take the loss.
2. A description of the steps the homeowner has taken (using credit cards, borrowed from family, borrowed from retirement account, etc) to be able to stay in the home.
3. A clear statement that the homeowner has extended all available options to stay current on the mortgage and that a Loan Modification is the only remaining objective, other than foreclosure

While it is important for the homeowner to provide a complete picture of their hardship, it is also important to avoid a letter to excessively long. In order to get a loss mitigator to understand the hardship, the loss mitigator needs to read the letter and connect with the writer. Limit the letter to manageable length. If possible, attach to the Hardship Letter any documents, receipts or notices that support the homeowner's hardship.

EXAMPLES:

- ❖ Layoff Notice
- ❖ Letter from employer outlining a reduction in pay or a reduction in hours
- ❖ Receipt for excessive medical payments for medications or emergency payments
- ❖ Delinquency notices from creditors and/or services and utility providers
- ❖ Letter from doctors regarding injury or illness
- ❖ Disability benefits letter
- ❖ Divorce or separation papers
- ❖ Any documents supporting a family crisis hardship

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