

## Hardship Explanation Letter instructions:

The hardship explanation is a letter which provides a precise overview of the homeowner's situation. **It should be clear and concise and no longer than one page.** Be aware that the audience for this letter is you loan servicer.

The letter should include the following elements:

- Date
- Servicer's name:
- Servicer's address:
- Loan number:
- Homeowner's name(s):
- Homeowner's address:
- Homeowner's phone number:
- Reason for submitting a loss mitigation package:
  - State one of the following
    - Keep my home
    - Pursue a short sale
    - Request a deed in lieu of foreclosure
- Reason for hardship:
  - Discuss all of the following that apply to your situation and be specific about relevant dates:
    - Unemployment
    - Underemployment
    - Medical crisis
    - Disability
    - Death
    - Divorce
- Hardship status:
  - Discuss which of the following that apply to your situation:
    - Hardship has been resolved
    - Hardship has not been resolved
    - Working with a counseling agency to address budgetary issues
- Explanation should:
  - Be a matter of fact description of the reason for default, with no blaming of others for what has occurred
  - Mention other relevant details about the loan or the property, such as the number of months delinquent
  - State the actions the you have taken to reduce expenses and increase income
  - Describe how the reason for default has been resolved or addressed
- Your signature
  - **Your letter is not valid without a signature**

See the enclosed sample.

## Hardship Explanation Letter sample:

January 1, 2013

Your Bank  
123 Main St,  
NYC, NY 12345

Loan #: 001122334455  
John and Jane Doe  
321 Main St., Somewhere, NY 98765  
(518) 123-4567

RE: Hardship Explanation

To whom it may concern:

I am submitting a loss mitigation package because I am interested in keeping my home. My hardship was caused by unemployment. However, my hardship has been resolved as I started a new job on December 15, 2012.

In June of 2012, I lost my job. Over the months of July, August, and September I struggled to make my monthly payments. In October I no longer had any savings and even with cutting my expenses, I was unable to make my mortgage payment. I have finally found new job with a salary somewhat lower than what I was earning in my last job. I am certain I can return to making monthly payments but need assistance with my monthly payment and past due amount.

Thank you for your consideration

Sincerely,

*John Doe*

John Doe

*Jane Doe*

Jane Doe