

**Here is an example 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
- Death
- Incarceration
- Divorce
- Marital Separation
- Military Duty
- Reduced Income
- Medical Bills
- Damage to Property (natural disaster or unnatural)
- Other (Please Specify)

## Sample Hardship Letter

Date

Name of Lender

Address of Lender

Loan #:

To Whom It May Concern:

I am writing this letter to explain my unfortunate set of circumstances that have caused us to become delinquent on our mortgage. We have done everything in our power to keep up with all of our bills, but unfortunately we have fallen short and would like you to consider working with us to modify our loan. Our number one goal is to keep our home and we would really appreciate the opportunity to do that.

The main reason that caused us to be late is (insert reason here and when hardship began). Now we are having trouble not only with our day-to-day expenses, but we are also finding it difficult to make our full mortgage payment each month. It is our full intention to pay what we owe, but at this time we have exhausted all of our income and resources so we are turning to you for help. (Please indicate whether you think this hardship is temporary or permanent.)

(If temporary, please explain when you think you may be coming out of the hardship.) Our situation has improved because (insert reason here) and we feel that a loan modification would help us get back on track. We would appreciate if you can work with us to lower the delinquent amount owed and/or lower the monthly payment so we can keep our home while working on paying the arrears.

We truly hope that you will consider working with us. Thank you for your time and consideration.

Sincerely,

Borrower's Name

Address