

HARDSHIP LETTER SAMPLE 1 – Borrower Wants to Keep Home
CRITICAL: Letter should be **ONE (1)** page only. **Sign and date your letter!**

- FHA Loan • Loss of Income • Self employment income being used. (For self-employed borrowers, a profit and loss sheet is usually requested).

Loan # 123456789 Countrywide 1st mortgage FHA loan
Loan # 987654321 EMC 2nd mortgage Conventional loan
Name(s) on Loan: Jane L. Doe

Property Address: Mailing Address: Contact Numbers:
1234 Any Street 1234 Any Street (770) 555-1212 (h)
City, State Zip City, State Zip (770) 555-1212 (c)

February 2, 2009

To Whom It May Concern:

I am writing to state specifically my sincere desire to work with Countrywide Home Loans to arrive at a workable solution regarding my mortgage balance of \$327,000 so that I do not foreclose on March 3, 2009. It is my primary objective and my goal to stay current with my loan and to remain in my home.

SHOW HOUSEHOLD INCOME/EMPLOYMENT WHEN LAST MORTGAGE WAS GIVEN (optional but helpful):

When I refinanced the house in October, 2006, I showed a total net monthly income of \$10,000: \$6,000 from employment with Ford Motor Company and \$4,000 from the family electrical contracting business.

EXPLANATION OF HARDSHIP:

I was laid off from Ford Motor Company in October, 2006. The family electrical contracting business was yielding enough income to make up for the difference. Payments were made until November, 2008. Starting in November, 2008, the electrical contracting business slowed because of the economy and completed jobs under contract have not been paid on.

WHAT IS BEING DONE TO RESOLVE:

In January, 2009 our electrical contracting business received preferred status by the City of Atlanta as a minority business and were bonded which created more stability for the family business. We have been awarded 2 state contracts, one which we have already started and the other starts at the end of January, 2009. This nets our business \$6,000 to \$7,000 monthly starting March 1, 2009. The state pays every 30 days. A profit and loss sheet is attached. Our total net monthly household income is \$5,988.00 and our total monthly expenses, including mortgage, taxes and insurance, are \$5,688.00.

CURRENT MARKET VALUE OF PROPERTY (optional but helpful):

I also wanted you to know that I asked a realtor to give a comparable market analysis to determine our home's current value and I have learned that it is worth \$350,000 versus our loan amount of \$405,000.

REQUEST TO LENDER:

My family and I are truly grateful for the opportunity that you've given us to own our own home and have every intention of keeping it for a long time, as well as making the mortgage payments for it. Would you modify my loan, placing the delinquent payments at the end, reduce the interest rate, and extending the period to 30 years? Will you also waive the late fees and attorney fees?

Upon agreement with Countrywide, I can make an immediate payment of \$2,500.

I, Jane Doe, state the information provided above to be true and correct to the best of my knowledge.

Sincerely and respectfully,

Jane L. Doe (Signature)

Jane L. Doe (Printed)

Date

If you have 2 mortgage companies, send letter and documentation meeting loan guidelines to both companies.

First 2 paragraphs: Set up situation prior to hardship. State mortgage balance with fees and foreclosure date if you have one.

Next, summarize briefly what created hardship and state the date(s) payments were missed or stopped. Examples of reasons: Job loss or salary reduction, death in family, illness, medical bills, military reason, damage to property, theft, divorce or separation.

*Resolution:
The Lender is really interested in what is being done to resolve the hardship.
Summarize briefly.*

*Request to the Lender:
Loan modification: 1) unpaid balance and fees placed at the back of the loan, 2) interest rate reduction from one interest rate to another; 3) extension of loan repayment period.
Additional requests: waive attorneys fees and late fees.*

Recommended: Then state an amount which could be paid immediately to the Lender if agreement is reached.

HARDSHIP LETTER SAMPLE 2 – Borrower Wants to Keep Home

CRITICAL: Letter should be **ONE (1)** page only. **Sign and date your letter!**

• Conventional Loan - ARM increasing payments. • First Lien Holder never erased when Borrowers refinanced which resulted in Borrowers showing they had 2 lenders instead of only one. • Borrower on Paid Business Driven Leave of Absence and returning to full time

Loan # 123456789 Countrywide Conventional loan
Name(s) on Loan: Jane L. Doe, Elizabeth B. Doe
Property Address: Mailing Address: Contact Numbers:
1234 Any Street 1234 Any Street (770) 555-1212 (h)
City, State Zip City, State Zip (770) 555-1212 (c)

April 8, 2009

To Whom It May Concern:

We are writing to state specifically our sincere desire to work with American Servicing Company to arrive at a workable solution regarding our mortgage balance of \$214,900 so that we do not foreclose. It is our primary objective and our goal to stay current with our loan and to remain in our home.

SHOW HOUSEHOLD INCOME/EMPLOYMENT WHEN LAST MORTGAGE WAS GIVEN (optional but helpful):

In October, 2004, we refinanced the house with an ARM based on an appraisal of \$279,000. Our loan amount was \$218,000. The monthly payment was \$1,679.00 principal and interest only. Taxes of \$2,579.00 and insurance were purchased separately (\$65.00) per month. Our net household monthly income \$5,100.00: \$2,400 from my employment with ABC International and \$2,700 from my mother's social security and pension.

EXPLANATION OF HARDSHIP:

Payments were made on time through October 2007. From October, 2006 to April, 2007 payments were \$1,879.00 per month. From April, 2007 to October, 2007 payments were \$2,379.00. From October, 2007 to April, 2008, payments escalated to \$2,774.00. In October 2007 we requested a modification because we could not make the payments. They stated that they could not modify the loan. We were put on repayment plans in December, 2007 and February, 2008. My father died and in October and I had to ask for another agreement.

In September, 2008, I received a letter stating that the investors could not reach an agreement with the other Lien holder. Then, one of the ASC representatives discovered that when I refinanced the last time from Greenpoint Mortgage, Greenpoint did not correctly record the SATISFACTION OF LIEN and ASC was servicing a loan in 2nd position. Greenpoint Mortgage still looked like it was the 1st lienholder. An attorney and the county solved this problem. ASC now shows as a 1st lienholder. This has been the problem all along.

CURRENT MARKET VALUE OF PROPERTY:

I asked a realtor to give a comparable market analysis to determine my home's current value and I have learned that it is worth \$140,000 versus the mortgage balance of \$214,900.

WHAT IS BEING DONE TO RESOLVE:

Jane returned to work full-time. Current net monthly household income is \$4429.72: \$1,732.72 from my employment with American Express, and \$2,697.00 from my mother's retirement and pension (Elizabeth Doe). Our monthly household expenses are approximately \$4127.00.

REQUEST TO LENDER

We are truly grateful for the opportunity that you've given us to own a home and have every intention of keeping it for a long time, as well as making the mortgage payments for it. Please modify our loan, placing the delinquent payments at the end, reducing the interest rate, and extending the repayment period to 30 years. Will you waive the late fees and attorneys fees?

We sincerely hope we will be able to arrive at a workable solution that will be beneficial to both parties. We can make a payment immediately of \$4,000.00 upon agreement with ASC.

We, Jane Doe and Elizabeth Doe, state the information provided above to be true and correct to the best of our knowledge. **SIGN, PRINT, and DATE**

If you have 2 mortgage companies, send letter and documentation meeting loan guidelines to both companies.

First 2 paragraphs: Set up situation prior to hardship. State mortgage balance with fees and foreclosure date if you have one.

Next, summarize briefly what created hardship and state the date(s) payments were missed or stopped. Examples of reasons: Job loss or salary reduction, death in family, illness, medical bills, military reason, damage to property, theft, divorce or separation.

*Resolution:
The Lender is really interested in what is being done to resolve the hardship.
Summarize briefly.*

*Request to the Lender:
Loan modification: 1) unpaid balance and fees placed at the back of the loan, 2) interest rate reduction from one interest rate to another; 3) extension of loan repayment period.
Additional requests: waive attorneys fees and late fees.*

Recommended: Then state an amount which could be paid immediately to the Lender if agreement is reached.

HARDSHIP LETTER SAMPLE 3 – Borrower Wants to Keep Home

CRITICAL: Letter should be **ONE (1)** page only. **Sign and date your letter!**

• Conventional - ARM loan adjusted upward. • Extensive medical bills led to Borrower filing Chapter 13 bankruptcy

Loan # 123456789 American Home Mortgage
Name(s) on Loan: Jane L. Doe, John B. Doe
Property Address: Mailing Address: Contact Numbers:
1234 Any Street 1234 Any Street (770) 555-1212 (h)
City, State Zip City, State Zip (770) 555-1212 (c)

February 19, 2009

To Whom It May Concern:

We are writing to state specifically our sincere desire to work with American Home Mortgage to arrive at a workable solution regarding our mortgage balance of \$258,499.70 so that we do not foreclose in May, 2009. It is our primary objective and our goal to stay current with our loan and to remain in our home.

SHOW HOUSEHOLD INCOME/EMPLOYMENT WHEN LAST MORTGAGE WAS GIVEN (optional but helpful):

We refinanced in January, 2007, and borrowed \$260,100. We showed a total net monthly income of \$6472: \$4217 from Office Depot (John) and \$2255 from Access Management Group (Jane). The monthly payment was \$2,334.33 including taxes of \$208.25 and insurance of \$62.33.

EXPLANATION OF HARDSHIP:

In July, 2007, John had a heart attack and was out of work for 8 weeks. In September, 2007, we were billed for \$5,400 in medical bills and paid bills with American Express. ASC notified us that the ARM payment changed to \$2068 and we paid this amount from January to June, 2008. Because it was difficult to catch up, we filed bankruptcy in July, 2008. The agreement from the bankruptcy court, according to the attorneys, was: Pay normal mortgage payment starting September 1, 2008 and pay the Trustee amount of \$604.

Starting September 1, 2008, we paid \$2,068. In the beginning of November, 2008, we made the October, 2008 payment. At the beginning of December, 2008, we sent in November, 2008 payment. In December, 2008, we received notice from American Home Mortgage that they were filing for relief of stay and that our ARM payment was to adjust February 1, 2009, to 2,334.33.

On February, 2009, in bankruptcy court, the demand was for \$6,790.00 which included the past due months, February's payment, the difference between the \$2,068 and \$2,334.33, plus \$800 in attorney's fees. Then we were notified that we had been paying the incorrect amount of \$2,068 over a 6 month period although we had never received a statement notifying us of the error. The attorney for the mortgage company presented the option of our paying \$2,944.61 per month which included a portion of the delinquent amount in the amount of \$610.28. As shown on the Borrower and Property Worksheet, we are unable to meet that agreement.

CURRENT MARKET VALUE OF PROPERTY (optional):

We asked a realtor to give a comparable market analysis to determine our home's current value and we have learned that it is worth \$198,900 versus our mortgage balance of \$258,499.70.

WHAT IS BEING DONE TO RESOLVE:

We are both employed. Our net monthly income is still \$6,472.00 and our total monthly expenses with the mortgage amount, taxes and insurance, are \$6177.23.

REQUEST TO LENDER:

My family and I are truly grateful for the opportunity that you've given us to own our own home and have every intention of keeping it for a long time, as well as making the mortgage payments for it. Will you modify our loan, placing the delinquent mortgage payments at the end of the loan, extending the period to 30 years, and reducing the interest rate? Will you waive the late fees and attorney's fees?

We, John Smith and Jane Smith, state the information provided above to be true and correct to the best of our knowledge. Upon agreement with American Home Mortgage, we can make an immediate payment of \$3,000.00.

SIGN, PRINT, and DATE

IMPORTANT!

If you have filed Bankruptcy:

Options CAN be reviewed with your Servicer while you are still under jurisdiction of the court.

Request that your Bankruptcy attorney fax a CONSENT FORM to your Lender(s) Bankruptcy area(s). See website.

If you have 2 mortgage companies, send letter and documentation meeting loan guidelines to both companies.

First 2 paragraphs: Set up situation prior to hardship. State mortgage balance with fees and foreclosure date if you have one.

Next, summarize briefly what created hardship and state the date(s) payments were missed or stopped. Examples of reasons: Job loss or salary reduction, death in family, illness, medical bills, military reason, damage to property, theft, divorce or separation.

Resolution: The Lender is really interested in what is being done to resolve the hardship. Summarize briefly.

*Request to the Lender: **Loan modification:** 1) unpaid balance and fees placed at the back of the loan, 2) interest rate reduction from one interest rate to another; 3) extension of loan repayment period. Additional requests: waive attorneys fees and late fees.*

Recommended: Then state an amount which could be paid immediately to the Lender if agreement is reached.