

August 1, 2009  
RE: Hardship Letter – Loan Modification  
Account # XXXXXXXXXXXXXXXX  
John and Jane Doe  
XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX

To Whom It May Concern:

This is a very depressing and painful time for us and our family and we write this letter as a last option.

We were just notified last week that our final attempt to refinance has been denied. The value of our home is worth less than what we owe on our two mortgages and the programs needed to make my monthly payments reasonable simply do not exist anymore.

Refinancing and or selling our house is no longer an option! When we originally got the loan with Option One, we were told that we would be able to refinance before the loan went adjustable. Now that we can not refinance and our payment has gone up from XXXX to XXXXX leaving us with an extra XXXX to come up with every month, this is something we simply can not afford. We have tried to do everything we can to sell the house and refinance but these options are no longer possibilities. There are many "bank owned" properties in our neighborhood and it seems as if we still have a long time until the market stabilizes.

We do NOT want to get behind or foreclose but that will be the end result if our mortgage payments don't go down. Our attorney has advised us to walk away from the house (foreclosure) and file bankruptcy, but we prefer to avoid further destruction of our credit.

We deeply appreciate your help and understanding in this matter. If you have any questions, or need more information, please feel free to contact us.

Sincerely,

To whom it may concern:

We are writing this letter to explain the extreme financial hardship it will be for our family when our loan adjusts from a 7.75% interest rate to a 10.75% interest rate in August 2008. This interest rate adjustment will cause our payment to dramatically increase in the amount of \$1695 per month on top of our current payment of \$4234.10 increasing the payment to \$5929.10 per month. Our current income does not support an increase of this magnitude. As a matter of fact, a monthly increase of this amount will ruin us financially and within a few short months of this adjustment we will surely fall into foreclosure as we will not be able to afford the monthly payment.

We conducted a counseling session with a woman named () (888-669-2227 x742) from 995-HOPE and submitted a monthly budget where we only have a surplus of \$158 per month after we pay all of our monthly obligations. According to the counselor we are currently utilizing 54% of our monthly income for housing costs which is way above the national average.

My husband, Kevin is the bread winner in the family and his income varies from paycheck to paycheck because of overtime, holiday pay (2 times per year) and uniform allowance. So, sometimes he makes his base pay of approximately \$7839 per month and other times he makes more than that depending on the overtime he works each month. However, overtime is never guaranteed so we cannot depend on the overtime in order to fulfill our monthly obligations.

I am currently receiving Social Security Disability in the amount of \$1435 and am also the payee for our son, Christian in the amount of \$717 per month. Also, I receive a check from (COMPANY) for my disability retirement in the amount of \$829.74.

We would appreciate the opportunity to work out a loan modification where our interest rate will be frozen at the 7.75% interest rate for the DURATION of the loan, if the rate is just frozen for 2 to 5 years we will find ourselves in the same situation in a few short years from now.

Please take the time to review the information we submitted and consider our request. It is very important to us that we keep our account in good standing and preserve our credit rating as well as protect our main asset....our home.

Thank you in advance for your time and consideration in this matter. We are looking forward to working with Option One to resolve this situation. If you have any questions please contact us at xxx-xxx-xxxx.

Sincerely,

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 make ends meet 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 have a hardship and to be late is (insert reason here and don't be too lengthy and long winded) Soon after being late and our income not being nearly enough, we had fallen further and further behind. Now, it's to the point where we cannot afford to pay what is owed to (lender). 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.

Our situation has got better because (reason here) and we feel that a loan modification would benefit us both. We would appreciate if you can work with us to lower or delinquent amount owed and or payment so we can keep our home and also afford to make amends with your firm.

We truly hope that you will consider working with us and we are anxious to get this settled so we all can move on.

Sincerely and Respectfully,

Mr. & Mrs. \_\_\_\_\_

Signature \_\_\_\_\_

Loan # \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_