

Sample Hardship Letter

Bank/Current Mortgage Holder Contact Information

Re: Client Name

Account #

PRIVATE AND CONFIDENTIAL

Hardship Letter

Date

Dear [Loan Modification or Mitigation Contact]:

I began to get alarmed when the value of my home started to plummet. It has gone down in value from my original estimated value of \$ [] to the recently appraised value of \$ []. Due to foreclosures and short sales in my area, the value is expected to go down even more ongoing.

At the same time as home values are going down, the costs of everything else have gone through the roof. My homeowners insurance increases every year as do my property taxes. Living expenses and medical expenses are more and more each month. Although I planned for retirement, I find myself nearly out of money and will soon be unable to afford my monthly expenses no matter how much I do without.

I am approved for a FHA HECM Reverse Mortgage but based on my age and the appraised value of \$ [], I need approximately \$ [] cash to close. Due to the marketplace, my appraised value will only hold for 3 months and I am nearing the expiration of that time. If I do not do the reverse mortgage now and my value drops even lower in time, I will no longer have the option of taking a reverse mortgage.

Currently, I pay \$ [] per month on my mortgage. I would like to ask you to please allow a short pay-off of my loan with [Lien Holder]. I thank you in advance for working with me through this difficult time.

Regards,