Sample Financial Hardship Letter

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HOW TO USE THIS TEMPLATE

Fill in every section marked [IN BRACKETS]. Be specific and factual — vague letters are less effective. Keep the tone professional and focused on your circumstances, not emotion. Attach supporting documents (bank statements, medical bills, termination letter, etc.) when submitting.

This template works for loan modifications, mortgage forbearance requests, credit card hardship programs, medical debt negotiations, and similar situations where you need to explain financial difficulty to a lender or creditor.

— LETTER BEGINS BELOW THIS LINE —

[Your Full Name]

[Your Address]

[City, State, ZIP]

[Phone Number]

[Email Address]

[Date]

[Lender / Creditor Name]

[Department — e.g., Loss Mitigation Department / Hardship Department]

[Address]

Re: Hardship Assistance Request — Account Number [XXXX-XXXX-XXXX]

Dear [Lender/Creditor Name] Hardship Team,

PARAGRAPH 1 — State the request clearly

I am writing to request [loan modification / payment deferral / reduced payment plan / other assistance] on my account ending in [XXXX]. I have been a customer since [year] and have made consistent payments until recently. I am now experiencing a financial hardship that has made my current payment obligations difficult to meet.

PARAGRAPH 2 — Explain the hardship (be specific)

My hardship began on approximately [date]. [Choose the situation that applies and delete the rest:]

Job loss: I was laid off from my position at [Employer Name] on [date]. I am actively seeking new employment but have not yet secured a position. My unemployment benefits of $[amount] per week do not cover my current monthly obligations.

Medical: I experienced a serious medical event — [brief description, e.g., emergency surgery, cancer diagnosis] — that resulted in $[amount] in out-of-pocket medical expenses and required me to take [X weeks/months] of unpaid leave from work.

Divorce / separation: Following my divorce / separation in [month, year], my household income was reduced from $[amount] to $[amount] per month. I am now solely responsible for expenses previously shared between two incomes.

Death of spouse / co-borrower: My [spouse / partner / co-borrower], [Name], passed away on [date]. I am now solely responsible for all household expenses on a single income of $[amount] per month.

Natural disaster / other: [Describe the event, the financial impact, and when it occurred.]

PARAGRAPH 3 — Describe your current financial situation

My current monthly income is $[amount]. My essential monthly expenses total approximately $[amount], including [housing / rent: $X], [utilities: $X], [food: $X], [transportation: $X], and [other: $X]. After these expenses, I have approximately $[amount] available per month for debt payments.

PARAGRAPH 4 — State what you are asking for

I am requesting [choose one or more]: a temporary reduction in my monthly payment to $[amount] for [X months] / a deferral of payments for [X months] / a modification of my loan terms to [describe] / waiver of late fees incurred during this period.

I expect my financial situation to improve by [approximate date/timeframe] because [brief reason — e.g., new job offer accepted, medical treatment completed, settlement received]. I am committed to resuming regular payments as soon as I am able.

PARAGRAPH 5 — Close professionally

I have enclosed [list supporting documents: bank statements, termination letter, medical bills, tax returns, etc.] to support this request. I am available to discuss my situation at your convenience. Please contact me at [phone] or [email].

I appreciate your consideration and hope we can work together to find a solution. Thank you for your time.

Sincerely,

[Your Signature]

[Your Printed Name]

[Date]

Enclosures: [List all attached documents]

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