**HARDSHIP LETTER TEMPLATE FOR ADJUSTABLE RATE MORTGAGE LOAN MODIFICATION**

**[Your Name]**

**[Your Address]**

**[Your Phone #]**

**[Case #]**

**[Date]**

Dear **[Name]**:

I am writing this hardship letter to request a loan modification. My financial situation cannot currently accommodate the adjustable mortgage rate that is being asked of me. For the last **[number]** years, my mortgage has been billed to me at a fixed rate of **[amount]** per **[time]**. As of **[date]**, however, the amount due jumped to **[amount]** per **[time]**. I understand that I entered into an adjustable rate contract, and originally, I had a financial plan that was flexible enough to meet the projected expense. Unfortunately, new circumstances have drastically depleted my funds, and I find myself facing foreclosure if I cannot meet the new payments.

My finances have changed due to unexpected **[medical bills, job loss, etc. Be specific.]** While I could afford the fixed rate, this new expense is too much for my limited account. I have attached last year’s federal income tax return and my credit card bills from the last two months. Also included is a worksheet detailing the dispersal of income among essential payments.

I would like to request a return to my former fixed rate, which is still a payment I can afford. If that does not work, perhaps we could come to terms on a deferral plan or a principal loan reduction. I hope to avoid foreclosure at all costs. Please contact me as soon as possible so that we can work out a payment plan.

Thank you,

**[Sender Name]**