**LETTER TEMPLATE**

**HARDSHIP LETTER PRINCIPAL REDUCTION**

**[Your Name]**

**[Your Address]**

**[Your Phone #]**

**[Your Loan #]**

**[Date]**

To Whom It May Concern:

I am writing this letter because I have recently fallen behind on my mortgage payments. I have encountered severe financial hardship and would like to request a principal reduction.

My income has become drastically reduced recently, due to **[sickness, death in the family, job loss, etc. Be specific]**. With the state of the economy, especially for home owners, I am struggling just to provide for my family. I am attaching my federal tax return and my credit card statement for your verification that my circumstances are dire.

I believe I can resolve my debt by receiving a principal reduction on my mortgage loan. This would make my monthly payments smaller and more manageable. In this way I could avoid foreclosure.

Please contact me at the phone number listed above so that we can work out a payment plan together. I look forward to speaking with you soon.

Thank you,

**[Sender Name]**