

SUGGESTED CONTENTS OF A HARDSHIP LETTER

An effective hardship letter will include the following:

- Identifying information: This will include the homeowners' names, address and account number.
- The introductory paragraph should state the foreclosure prevention tool that the homeowner is seeking.
- The second paragraph should describe the hardship, and the reason for the hardship in detail.
- The next paragraph should give an overview of the homeowners' income and expenses and explain any anticipated changes in income (or expenses) and when the changes may occur. It should also state whether the homeowner has a lump sum saved to offset any delinquency.
- Then, describe the proposed plan. The description should state when the plan will be effective, list the reasons why the homeowner believes it will work, and include a statement about why the homeowner is committed to see the plan through to its conclusion.
- The closing paragraph should state the methods and time to contact the homeowner(s) and counselor.
- Attachments:
 - Financial statement/ budget sheet
 - Income and expenses verification
 - Hardship verification (e.g. medical documents, separation papers, court documents, etc.)
 - Verification for anticipated changes to income and expenses.