

Suggested Contents of a Hardship Letter

An effective hardship letter will include the following:

- ⇒ Identifying Information: homeowner's names, address, and account #.
- ⇒ The first paragraph should state the foreclosure prevention tool/type of relief that the homeowner is seeking. (Workout Plan, Sale, Deed-In-Lieu)
- ⇒ The second paragraph should describe the hardship (and the reasons) in detail.
- ⇒ The next paragraph should give an overview of the homeowner's income and expenses and explain any anticipated changes 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 take effect, list the reasons why the homeowner believed it will work, and include a statement about why the homeowner is committed to see the plan through.
- ⇒ The closing paragraph should state the methods and times to contact the homeowner and housing counselor.
- ⇒ Attachments to the hardship letter:
 - Budget Sheet
 - Income & Expense Verifications
 - Hardship verification (medical documents, court paperwork, divorce agreement, etc..)
 - Verification of anticipated changes to income/expenses