

7 Tips For Writing A Persuasive Hardship Letter

Most lenders require homeowners applying for a short sale to write a hardship letter. A hardship letter is a written explanation describing why a borrower is not able to make his or her mortgage payments. The thought of writing a hardship letter sometimes causes fear and anxiety in homeowners, but it's really quite simple and if written properly, a good hardship letter can help a homeowner make a powerful case to their lender. Certain elements written into your hardship letter can help make your case to the bank while others can hurt your chances of getting a short sale approval. Here are 7 tips for writing a persuasive hardship letter:

1. **Write it yourself.** This is your story, only you can tell it convincingly, so make sure **you** write it.
2. **Explain the events and personal circumstances that contributed to your inability to make your mortgage payments.** Examples include: tenant problems, a medical condition or illness, job loss, job relocation, death in the family, divorce etc. Also, describe any additional circumstances currently making your financial situation difficult.
3. **Describe all attempts previously made to sell your home either by you personally or through a real estate agent.** Be sure to include all previous price adjustments. The fact that you've already tried to sell your home helps make a more compelling case to your lender that your financial hardship is real and that you are not just trying to walk away from your financial obligation.
4. **Don't blame the bank for your financial trouble in your hardship letter.** Scapegoating the people that you are trying to convince to reduce your mortgage does not work to your advantage, so don't do it!
5. **Make sure your hardship letter makes logical sense.** More specifically, make certain your hardship letter does not contradict any of the other personal documents your bank is examining as part of your short sale application (i.e. your bank statements, personal financial worksheet, pay stubs, tax returns).
6. **Tell your lender that you want to avoid bankruptcy.** If the bank believes that you intend to file bankruptcy, it will be less likely to seriously consider your short sale application.
7. **Tell the bank what you want them to do.** Although your ultimate goal in pursuing a short sale may seem obvious to you, it may not be to your bank. In your hardship letter, don't forget to ask your lender to accept your buyer's sales contract, approve your short sale application and forgive any deficiency that may arise as a result of the short sale.