

[Your Name]
[Business Name]
[Your Address]
[City, State, Zip Code]
[Phone Number]
[Email Address]

[Date]

[Lender/Creditor Name]
[Contact Person/Department]
[Creditor Address]
[City, State, Zip Code]

RE: Hardship Letter and Request for Payment Assistance

Account Number: [Your Account Number]

Dear [Contact Person Name or Department],

I am writing to formally notify you that my business, [Business Name], is experiencing severe financial hardship and is currently facing the possibility of insolvency and bankruptcy. Due to these circumstances, I am unable to meet my current debt obligations as originally agreed.

The failure of the business is a result of [briefly state reason, e.g., economic downturn, supply chain collapse, or health issues]. Despite my best efforts to reduce overhead costs and restructure operations, the business has reached a point where it can no longer generate the revenue necessary to sustain its liabilities.

At this time, I am exploring all legal options, including the liquidation of assets and filing for bankruptcy protection. However, before proceeding with formal bankruptcy filings, I would like to propose a settlement or a revised payment plan that reflects my current financial reality. My goal is to resolve this debt in a way that provides some recovery for your company while allowing me to manage my essential living expenses during this transition.

Enclosed you will find supporting documentation regarding the business's financial status, including [list documents, e.g., profit and loss statements, bank statements, or closure notices].

I request that you review this information and contact me to discuss a potential workout agreement. I am committed to open communication and look forward to hearing from you regarding a possible resolution.

Sincerely,

[Your Signature]
[Your Printed Name]