

Date: [Insert Date]
Lender Name: [Insert Lender Name]
Loan Number: [Insert Loan Number]
Property Address: [Insert Property Address]

Subject: Hardship Letter - ARM Payment Shock

To Whom It May Concern,

I am writing this letter to explain the financial hardship I am experiencing due to a significant increase in my monthly mortgage payment. My Adjustable Rate Mortgage (ARM) recently reset, resulting in a "payment shock" that has made my current monthly obligation unaffordable.

When I originally obtained this loan, my interest rate was [Insert Original Rate]% and my monthly payment was \$[Insert Original Amount]. Following the recent adjustment, my interest rate has risen to [Insert New Rate]%, increasing my monthly payment to \$[Insert New Amount].

This increase of \$[Insert Difference Amount] per month represents a substantial portion of my take-home pay. My income has remained stagnant while the cost of living and this new mortgage payment have exceeded my household budget. Despite my best efforts to reduce discretionary spending, I can no longer meet this financial obligation.

I am a dedicated homeowner and my primary goal is to keep my home and avoid foreclosure. I am requesting that you review my account for a loan modification, interest rate cap, or any other loss mitigation options that would result in a stable, fixed, and affordable monthly payment.

Enclosed you will find my recent pay stubs, bank statements, and tax returns to document my current financial situation.

Thank you for your time and for considering my request for assistance. I look forward to hearing from you soon to discuss possible solutions.

Sincerely,

[Your Signature]
[Your Printed Name]
[Your Phone Number]
[Your Email Address]