

Date: [Insert Date]

[Your Name]

[Your Address]

[Your Phone Number]

[Loan Account Number]

To: [Lender Name]

[Lender Department, e.g., Loss Mitigation Department]

[Lender Address]

**Subject: Request for Principal Balance Reduction due to Death of Co-Borrower**

Dear [Contact Person or Department Name],

I am writing to formally request a principal balance reduction for my mortgage loan. I am currently facing extreme financial hardship following the death of my co-borrower, [Name of Deceased], who passed away on [Date of Death]. I have enclosed a copy of the death certificate for your records.

The loss of [Name of Deceased] has resulted in a significant reduction in our total household income. Our combined income was necessary to meet the monthly mortgage obligations. With the loss of their earnings, the current principal balance and resulting monthly payments have become unsustainable for my single-income household.

I am fully committed to keeping my home and want to continue making payments. However, without a reduction in the principal balance to align the debt with my current financial reality, I am at high risk of default. I am requesting this permanent modification to ensure the long-term stability of the loan.

Enclosed you will find supporting documentation, including:

- Certified Copy of Death Certificate
- Recent pay stubs and proof of current income
- Bank statements for the last two months
- A detailed monthly expense report

I am eager to work with you to find a solution that allows me to remain in my home. Please let me know what next steps are required to process this request or if you need any additional information.

Thank you for your time and consideration of my situation.

Sincerely,

[Your Signature]

[Your Printed Name]