

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

[Date]

[Lender Name]
[Loss Mitigation Department]
[Lender Address]
[City, State, Zip Code]

RE: Hardship Assistance and HELOC Principal Forgiveness Request

Account Number: [Your Loan Number]

Property Address: [Property Address]

Dear Loss Mitigation Department,

I am writing this letter to request a review of my Home Equity Line of Credit (HELOC) for a settlement, principal reduction, or forgiveness due to severe financial hardship. I am currently struggling to meet my financial obligations and am at risk of defaulting on my payments.

My financial hardship is a result of: [Briefly state reason, e.g., Job loss, medical emergency, divorce, or death in the family].

Due to these circumstances, my income has significantly decreased while my essential living expenses have increased. Based on current market conditions, the value of my home has also declined, leaving little to no equity to support the full balance of this second lien.

I am requesting that [Lender Name] consider the following options:

- A partial or full forgiveness of the remaining principal balance.
- A discounted lump-sum settlement to satisfy the debt in full.
- A permanent modification of terms to make the payments affordable.

I have enclosed the following documents to support my request: [List documents, e.g., recent pay stubs, tax returns, bank statements, and a financial expense worksheet].

I am committed to resolving this debt and would appreciate the opportunity to discuss a solution that prevents further delinquency or foreclosure. Please contact me at your earliest convenience to discuss next steps.

Sincerely,

[Your Signature]

[Your Printed Name]