

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

[Date]

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

RE: Request for Principal Forgiveness / Mortgage Assistance

Loan Number: [Your Loan Number]
Property Address: [Your Property Address]

To Whom It May Concern,

I am writing to formally request a principal reduction or forgiveness for my home equity loan. I am currently experiencing significant financial hardship and am struggling to maintain my monthly payments due to [mention reason, e.g., job loss, medical expenses, or decrease in property value].

At this time, the current market value of my home is approximately \$[Amount], while my total mortgage debt is \$[Amount]. As my loan is currently "underwater," I am seeking a permanent reduction in the principal balance to bring the loan-to-value ratio to a sustainable level and avoid the possibility of foreclosure.

Enclosed with this letter, please find the following supporting documentation:

- Recent pay stubs or proof of income
- Most recent tax returns
- Bank statements for the last two months
- A detailed financial statement of monthly expenses
- [Any other relevant documents, e.g., medical bills]

I am committed to keeping my home and am eager to find a solution that works for both parties. I would appreciate the opportunity to discuss any available loss mitigation programs or settlement options that include principal forgiveness.

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

Sincerely,

[Your Signature]

[Your Printed Name]