

EXAMPLES OF SHORT SALE LETTERS

Do NOT write the letter for your client!! This can create a lot of liability.
Give them some examples.

Sample 1: (General Reason)

[Your Name]
[Your Address]
[City, State, ZIP Code]
[Phone Number]
[Email Address]
[Today's Date]

[Lender's Name]
[Lender's Address]
[City, State, ZIP Code]

Subject: Request for Short Sale - Loan Number [Your Loan Number]

Dear [Lender's Name],

I am reaching out to request your approval for a short sale of my home located at [Property Address]. This letter is to explain my current financial situation, which has made it impossible for me to continue making mortgage payments.

Financial Hardship

****Primary Reason for Hardship:**** [Briefly state the main reason, e.g., job loss, illness, etc.]

Details of Hardship:

[Detail 1: Describe the event, such as job loss date or medical diagnosis]

[Detail 2: Explain the immediate financial impact, e.g., loss of income, high medical bills]

[Detail 3: Any other relevant information that contributed to the financial strain]

Efforts to Mitigate Financial Hardship:

[Attempt 1: Describe any attempt to find a solution, such as seeking employment or reducing expenses]

[Attempt 2: Any contact with the lender to discuss loan modification or other options]

[Attempt 3: Other steps taken, such as consulting financial advisors or considering refinancing]

Reason for Requesting a Short Sale:

Inability to Afford Current Mortgage Payments:** Given the financial hardships outlined above, it's become clear that maintaining the current mortgage payments is unsustainable.

Alternatives Considered: I have explored several alternatives to address this situation, including:

- Loan modification or refinancing
- Borrowing from family or selling other assets
- Drastic budget cuts and expense reduction

However, none of these options have resolved the core issue of affordability.

****Benefits of a Short Sale:****

****Minimized Financial Impact:**** A short sale can help minimize the financial loss for both the lender and me.

****Avoidance of Foreclosure:**** It offers a dignified exit from the property and avoids the lengthy and costly process of foreclosure.

****Enclosures and Documentation:****

Please find attached supporting documents for my financial situation, including:

- Recent pay stubs and bank statements
- Documentation of unexpected expenses (e.g., medical bills)
- Any correspondence related to my attempts to mitigate this situation

I am fully committed to working closely with you to facilitate this process and am prepared to assist in any way possible to ensure a smooth transition. I hope for a favorable consideration of my request and am available for any further information or documentation that might be required.

Thank you for your understanding and time.

Sincerely,

[Your Name]

Sample 2 : (Job Loss or Medical Bills)

[Your Name]
[Your Address]
[City, State, ZIP Code]
[Phone Number]
[Email Address]
[Today's Date]

[Lender's Name]
[Lender's Address]
[City, State, ZIP Code]

Subject: Urgent Request for Short Sale - [Your Loan Number]

Dear [Lender's Name],

I hope this letter finds you well. I am reaching out with a heavy heart and a sense of urgency regarding my current financial situation, which has compelled me to request a short sale of my beloved home located at [Property Address]. My family and I are facing severe financial hardships that have made it impossible for us to keep up with our mortgage payments. Below, I outline the key factors contributing to our distress:

Unforeseen Job Loss:

Last [month/year], after [number] years of stable employment, I was unexpectedly laid off from my job. This has drastically reduced our household income and made it challenging to cover our basic living expenses, let alone our mortgage.

Medical Emergencies:

Shortly after my job loss, we faced a series of medical emergencies. [Describe briefly, e.g., "My spouse was diagnosed with a serious illness requiring costly treatments not fully covered by insurance."]. These unexpected medical bills have further strained our already tight budget.

Efforts to Mitigate Our Situation:

Please understand that we have taken significant steps to address our financial difficulties. We have:

- Cut back on all non-essential expenses.
- Attempted to find additional sources of income.
- Sought financial counseling and assistance.

Unfortunately, despite our best efforts, these measures have not been sufficient to overcome the financial gap caused by our situation.

I am profoundly saddened and stressed by the thought of losing our home, a place filled with cherished memories and dreams. It breaks my heart to witness the impact of our financial struggles on my family, and it is with a heavy heart that I plead for your understanding and support in approving a short sale. A short sale would not only help us avoid the devastating effects of foreclosure but also allow us to start anew, with the hope of rebuilding our lives and financial stability.

Enclosed, you will find detailed documentation supporting our hardship, including:

- Recent bank statements.
- Proof of income reduction.
- Medical bills and statements.
- A market analysis demonstrating the potential sale price of our home.

I sincerely hope you will consider our plea with compassion and understanding. We are fully committed to cooperating throughout this process and are hopeful for a resolution that minimizes the financial impact on all parties involved.

Thank you profoundly for your time and consideration during this incredibly challenging period in our lives. We are eager to work with you towards a solution and are available for any further information or clarification you may require.

Warmest regards,

[Your Name]

Sample 3 (Divorce Letter)

Certainly, crafting a divorce-related short sale hardship letter requires a delicate balance of conveying the emotional and financial stress while maintaining a clear, respectful tone towards the lender. Here's a sample structure you might consider:

[Your Name]
[Your Address]
[City, State, ZIP Code]
[Phone Number]
[Email Address]
[Today's Date]

[Lender's Name]
[Lender's Address]
[City, State, ZIP Code]

Subject: Request for Short Sale Due to Divorce and Financial Hardship - [Your Loan Number]

Dear [Lender's Name],

I am writing to you during what is, undeniably, the most challenging period of my life. My spouse and I are currently undergoing a divorce, which has not only taken an emotional toll on our family but has also led to significant financial hardship, affecting my ability to keep up with the mortgage payments for our property located at [Property Address]. Below, I have outlined the key issues contributing to my current financial situation:

****Divorce Proceedings:**** The process has led to a division of our combined resources and increased legal expenses. Our family's financial stability has been greatly compromised, affecting my capacity to meet our mortgage obligations.

****Increased Financial Responsibilities:**** Post-divorce, I have encountered several financial challenges, including:

- Burden of additional bills previously shared.
- Obligation to provide child support, which is a priority but limits my financial flexibility.
- The necessity to maintain a stable environment for my children, which includes unforeseen expenses related to their well-being and education.

****Efforts to Address Financial Strain:**** I have taken multiple steps in an attempt to manage our financial crisis, such as:

- Tightening our monthly budget to the essentials.
- Seeking additional sources of income through part-time work.
- Exploring loan modification options without success.

Unfortunately, these efforts have not sufficed to alleviate our financial burden. It is with a heavy heart that I request your consideration for a short sale of my home. This decision has not come lightly, but I believe it is a necessary step to prevent foreclosure and provide a semblance of stability for my children during this tumultuous time.

****Enclosed Documentation:****

- Divorce decree and legal documents indicating financial obligations.
- Detailed statement of monthly income and expenses.
- Bank statements and bills highlighting increased financial responsibility.
- Documentation of child support obligations.

I appeal to your sense of compassion and understanding in reviewing my request. A short sale would allow me to fulfill my financial obligations to the best of my ability under current circumstances and avoid the long-lasting impact of a foreclosure on my credit score, which I earnestly strive to preserve for the future well-being of my family.

I am fully committed to working closely with your team to facilitate this process and am prepared to provide any additional information or documentation as needed. Your consideration of my request during this incredibly difficult period in my life would be deeply appreciated.

Thank you for your time, understanding, and assistance.

Sincerely,

[Your Name]

Sample 4: (Death of family member)

Certainly, a hardship letter due to the death of a family member requires sensitivity and clarity in communication. Here's how you might structure such a letter:

[Your Name]
[Your Address]
[City, State, ZIP Code]
[Phone Number]
[Email Address]
[Today's Date]

[Lender's Name]
[Lender's Address]
[City, State, ZIP Code]

Subject: Request for Short Sale due to Death in the Family and Resulting Financial Hardship - [Your Loan Number]

Dear [Lender's Name],

I am writing this letter during a profoundly difficult time for my family and me. Recently, we suffered the loss of [relationship of the deceased, e.g., "my spouse"], who was not only a cornerstone of our emotional well-being but also a significant contributor to our household income. This tragic event has left us not only grappling with immense grief but also facing unexpected financial difficulties that directly impact our ability to maintain payments on our property located at [Property Address]. I am reaching out to request consideration for a short sale due to the following reasons:

****Significant Loss of Income:**** [The deceased's] income was crucial to our monthly financial planning. Their passing has resulted in a sudden and substantial reduction in our household income, making it challenging to meet our mortgage obligations.

****Additional Financial Strains:**** In the wake of this loss, we have encountered several unforeseen expenses:

- Funeral costs and related expenses, which are substantial.
- Medical bills incurred during [the deceased's] illness.
- The need to adjust our living situation and budget to accommodate this drastic change.

****Efforts to Mitigate Financial Impact:**** Despite these challenges, I have endeavored to find ways to manage our financial responsibilities by:

- Reassessing and tightening our family budget to the essentials.
- Seeking additional employment opportunities.
- Exploring financial assistance and support programs.

Sadly, these measures have not been sufficient to offset the financial impact of our loss fully.

****Enclosed Documentation:****

- Death certificate of [the deceased].
- Proof of income before and after the loss.
- Copies of funeral expenses and outstanding medical bills.
- A detailed account of our current financial situation, including bank statements and a budget outline.

With a heavy heart, I request your understanding and assistance in this matter. A short sale seems to be the most viable solution to avoid foreclosure and mitigate the financial damage during this period of mourning and adjustment. It is my sincere hope that we can work together to resolve this situation in a way that allows my family to move forward and rebuild our lives in the aftermath of this tragedy.

I am fully prepared to cooperate with your requirements for this process and can provide any further information or documentation as needed. I appreciate your consideration of my circumstances and look forward to the possibility of finding a compassionate resolution.

Thank you for your time and understanding.

Sincerely,

[Your Name]

Sample 5: (Business Failure)

Crafting a hardship letter due to business failure requires detailing the financial impact of the business's downturn on your ability to maintain mortgage payments. Here's a structured approach for such a scenario:

[Your Name]
[Your Address]
[City, State, ZIP Code]
[Phone Number]
[Email Address]
[Today's Date]

[Lender's Name]
[Lender's Address]
[City, State, ZIP Code]

Subject: Request for Short Sale due to Business Failure - [Your Loan Number]

Dear [Lender's Name],

I am writing to you amidst one of the most challenging periods of my professional and personal life. The business that I have poured my heart and soul into over the past [number] years has unfortunately failed, leaving me in a precarious financial position. The fallout from this event has severely impacted my ability to meet the financial obligations of my mortgage for the property located at [Property Address]. I am reaching out to request your consideration for a short sale due to the following circumstances:

****Business Closure:**** After exhausting all possible avenues to save my business, including [list any efforts made, such as restructuring, seeking additional financing, etc.], I had no choice but to close down. The loss of income has been immediate and significant, deeply affecting my capacity to cover our mortgage and other financial commitments.

****Personal Financial Strain:**** The failure of the business has not only affected the business finances but also my personal finances, including:

- Depletion of personal savings used in an attempt to keep the business afloat.
- Accumulation of debt, including business loans for which I am personally liable.
- Significant reduction in household income, as the business was my primary source of income.

****Proactive Steps Taken:**** In light of these financial challenges, I have taken several steps to mitigate the situation:

- Detailed review and tightening of personal and household budgets.
- Seeking employment opportunities to replace lost income.
- Consulting with financial advisors for debt management and restructuring.

Despite these efforts, the financial burden has overwhelmed my ability to keep up with mortgage payments, pushing me to consider a short sale as a means to prevent foreclosure and minimize further financial damage.

****Enclosed Documentation:****

- Documentation evidencing the closure of the business (e.g., business closure notice, financial statements indicating insolvency).
- Personal financial statements detailing current income, expenses, and debts.
- Proof of ongoing job search efforts or any interim income sources.

I am deeply committed to finding a resolution that minimizes the impact on all parties involved. The decision to request a short sale has not been easy, but it presents a path forward during this financially tumultuous time. I kindly ask for your understanding and assistance in facilitating this process. I am ready to provide any additional information or documentation needed to support my application for a short sale.

I appreciate your time and consideration of my circumstances and hope for a favorable response. Thank you for your understanding and support during this challenging time.

Sincerely,

[Your Name]

In your letter, being transparent about your situation and providing clear evidence of your hardship can help the lender understand your request. It's essential to keep communication open and prepare for a collaborative process towards a resolution.

Sample 6: Job Relocation

Certainly, a hardship letter for a short sale due to relocation for work, including military deployment, should highlight the necessity of the move and its impact on your ability to maintain your mortgage payments. Here's how you might structure such a letter:

[Your Name]
[Your Address]
[City, State, ZIP Code]
[Phone Number]
[Email Address]
[Today's Date]

[Lender's Name]
[Lender's Address]
[City, State, ZIP Code]

Subject: Request for Short Sale Due to Work Relocation - [Your Loan Number]

Dear [Lender's Name],

I am writing to you under circumstances that require me to relocate due to [new job opportunity/military deployment]. This letter serves to explain my situation and to request your consideration for a short sale of my home located at [Property Address], as the relocation has presented significant financial challenges related to maintaining my current mortgage.

****Mandatory Relocation:**** My [new job/military deployment] necessitates a move to [location], which is [distance or general description of how far or why it's necessary]. This relocation is not optional and is critical for [briefly explain the reason, such as career advancement, a requirement of employment, or military orders].

****Inability to Cover Mortgage Through Sale:**** Despite attempts to sell my home, the current market conditions in my area and the amount owed on my mortgage have made it impossible to sell the house at a price that covers the mortgage balance. This has left me in a precarious financial position, as I am:

- Facing the prospect of carrying two residences.
- Unable to rent the property at a rate that covers the mortgage and maintenance costs.

****Efforts to Avoid Default:**** I have explored several avenues to prevent this situation from affecting my financial stability and your investment, including:

- Listing the home for sale at a competitive market price.
- Consulting with real estate professionals to maximize the home's appeal.
- Considering renting the property, though it proved financially unfeasible.

****Enclosed Documentation:****

- Proof of new employment or military orders requiring relocation.
- Real estate listings and communications attempting to sell or rent the property.
- A detailed account of financial circumstances, including income, mortgage details, and other relevant financial documents.

The decision to request a short sale is not one I take lightly. However, given my imminent relocation and the financial implications it carries, I believe a short sale represents the most responsible and feasible solution for all parties involved. It would allow me to honor my obligations to the best of my ability under these circumstances and avoid the more severe consequences of a foreclosure.

I am committed to facilitating this process with transparency and cooperation and am prepared to provide any additional information or documentation required. I hope for your understanding and support in navigating this challenging transition and am eager to work towards a mutually beneficial resolution.

Thank you for considering my request during this pivotal time in my life. I look forward to your response and am hopeful for a positive outcome.

Sincerely,

[Your Name]