

Loan Default Explanation

Date: [Insert Date]

[Lender's Name]

[Lender's Address]

[City, State, ZIP Code]

Dear [Lender's Name],

I am writing to formally explain my current situation regarding the default on my auto loan account #[Account Number]. I understand the severity of this issue and wish to provide context regarding my circumstances.

Due to [briefly explain your reason, e.g., job loss, medical emergency, etc.], I have faced unforeseen financial difficulties that have impacted my ability to adhere to the payment schedule. I have always prioritized my financial commitments, and this situation has truly been a setback.

Although I have fallen behind, I am actively working towards getting back on track. I am [explain any steps you are taking, e.g., seeking new employment, cutting expenses, etc.]. I genuinely appreciate your understanding and support during this challenging time.

I would like to request a restructuring of my loan or any potential payment plan options that could help me resume payments. I am committed to resolving this matter and ensuring that I honor my obligation.

Thank you for considering my situation. I look forward to your compassionate response and any assistance you can provide.

Sincerely,

[Your Name]

[Your Address]

[City, State, ZIP Code]

[Your Phone Number]

[Your Email Address]