

# Loan Default Explanation Letter

Date: [Insert Date]

[Your Name]

[Your Business Name]

[Your Business Address]

[City, State, Zip Code]

[Lender's Name]

[Lender's Organization]

[Lender's Address]

[City, State, Zip Code]

Dear [Lender's Name],

I am writing to formally explain the circumstances surrounding the default on our business loan account #[Insert Account Number]. Due to [briefly explain the reason, e.g., unexpected market changes, financial difficulties], we have encountered challenges that led us to miss our recent payment(s).

We recognize the importance of fulfilling our financial obligations and are actively working to address our situation. [Describe any measures being taken, e.g., restructuring the business plan, seeking additional funding].

We value our relationship with [Lender's Organization] and are committed to finding a resolution. I would appreciate the opportunity to discuss potential options for repayment or restructuring our loan to avoid further complications.

Thank you for your understanding and support during this challenging time. I look forward to your prompt response.

Sincerely,

[Your Name]

[Your Position]

[Your Business Name]

[Your Contact Information]