

Loan Default Explanation

Date: [Insert Date]

[Your Name]

[Your Address]

[City, State, Zip Code]

[Email Address]

[Phone Number]

[Lender's Name]

[Lender's Address]

[City, State, Zip Code]

Subject: Explanation of Loan Default for Payday Loan

Dear [Lender's Name],

I am writing to explain my recent default on the payday loan I obtained on [Loan Date], with account number [Account Number]. I deeply regret the circumstances that led to this situation and want to provide some context.

Unfortunately, [brief explanation of the situation, e.g., loss of job, medical emergency, etc.], which has severely impacted my ability to meet my financial obligations. Despite my best efforts to manage my expenses, I was unable to repay the loan by the due date.

I take my financial responsibilities very seriously and am actively seeking solutions to rectify my situation. I have taken steps to [mention any actions you are taking, e.g., finding new employment, budgeting, etc.].

I would appreciate any assistance or flexibility you can offer to address this matter, whether it be a payment plan or temporary deferment. I am committed to repaying my debt and restoring my financial standing.

Thank you for your understanding. I look forward to your response.

Sincerely,

[Your Name]