

Loan Default Explanation Letter

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]

Dear [Lender's Name],

I hope this letter finds you well. I am writing to address my recent loan default regarding the personal loan I obtained on [Loan Date] with account number [Loan Account Number]. I understand the importance of fulfilling my financial obligations and wish to provide some context for my current situation.

Unfortunately, due to [briefly explain your circumstances, e.g., unexpected medical expenses, job loss, etc.], I have encountered financial difficulties that have impacted my ability to meet the repayment schedule. I assure you this was not my intention, and I have been actively seeking solutions to rectify my situation.

I am working on [explain any steps you are taking, e.g., finding a new job, debt counseling], and I am committed to repaying the loan. I kindly ask for your understanding and consideration for a temporary arrangement that could allow me to get back on track with my payments.

Thank you for your attention to this matter. I am hopeful for your support and look forward to discussing possible solutions. Please feel free to contact me at [Your Phone Number] or [Your Email Address].

Sincerely,

[Your Name]