

Debt Explanation Letter

Date: [Insert Date]

[Your Name]

[Your Address]

[City, State, Zip Code]

[Your Email]

[Your Phone Number]

[Lender's Name]

[Lender's Address]

[City, State, Zip Code]

Dear [Lender's Name],

I am writing to provide an explanation regarding my current debts as part of my loan application process. I understand that my financial history is an important factor in your assessment.

Currently, I have the following debts:

- Credit Card Debt: \$[amount]
- Student Loan: \$[amount]
- Auto Loan: \$[amount]

The reason for these debts is [brief explanation regarding the debts, such as unexpected medical expenses, loss of income, etc.]. I have taken steps to manage and mitigate my debts, including [mention any debt repayment plans, refinancing efforts, or financial consultations].

I assure you that I am committed to fulfilling my financial obligations and maintaining a responsible payment history. Thank you for considering my application. If you require any additional information, please feel free to contact me.

Sincerely,

[Your Name]