

Loan Default Explanation

Date: [Insert Date]

To: [Lender's Name]
[Lender's Title]
[Lender's Company]
[Lender's Address]
[City, State, Zip Code]

Dear [Lender's Name],

I am writing to formally address the situation regarding the default on my business loan with your institution, loan number [Insert Loan Number]. I appreciate the support you have provided to my business, [Your Business Name], and I want to offer an explanation for my current circumstances.

Due to [briefly explain the reason for default, e.g., unexpected market changes, loss of key clients, economic downturn, etc.], our revenue has significantly decreased. Despite our efforts to manage these challenges, we have found it increasingly difficult to meet our financial obligations.

I take full responsibility for this situation and have been actively exploring solutions. This includes [mention any steps being taken, such as restructuring the business, seeking additional funding, or negotiating with creditors]. I firmly believe that with some time and the right adjustments, we can stabilize our operations and fulfill our loan obligations.

I kindly request your understanding as we navigate this challenging period. I would also appreciate the opportunity to discuss potential options for repayment restructuring or any available assistance you may offer.

Thank you for your attention to this matter. I look forward to your response.

Sincerely,

[Your Name]
[Your Title]
[Your Business Name]
[Your Phone Number]
[Your Email Address]