

Loan Default Explanation

Date: [Insert Date]

To: [Lender's Name]

[Lender's Company]

[Lender's Address]

Dear [Lender's Name],

I hope this letter finds you well. I am writing to formally explain my recent default on the loan account number [Insert Loan Account Number], which was due on [Insert Due Date].

Unfortunately, I encountered unforeseen circumstances that significantly impacted my financial situation. Specifically, [briefly describe the unforeseen expenses, e.g., "a medical emergency" or "unexpected home repairs"] arose, requiring immediate attention and resources.

Despite my best efforts to manage my finances, these situations strained my budget, making it impossible for me to meet my loan obligations at this time. I take my commitments seriously, and it is never my intention to default on any agreements.

I am currently working on a plan to regain my financial stability, including [mention any steps you are taking, e.g., "seeking additional employment" or "negotiating payment terms"]. I kindly ask for your understanding and support during this challenging time. If possible, I would appreciate discussing alternative repayment options or a temporary forbearance to help me get back on track.

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

Sincerely,

[Your Name]

[Your Address]

[Your Phone Number]

[Your Email Address]