

Application for Reduction in Loan Principal Amount

Date: [Insert Date]

To,
The Branch Manager,
[Bank Name],
[Branch Address].

Dear Sir/Madam,

I am writing to formally request a reduction in the principal amount of my loan account with the reference number [Insert Loan Number]. Due to unforeseen financial circumstances, I am currently facing difficulties in meeting my repayment obligations and I believe that a reduction in the principal amount would significantly help my situation.

Over the past [mention duration], I have encountered [briefly explain the reasons, e.g., job loss, medical expenses, etc.]. Despite my best efforts to manage my finances, I find it increasingly challenging to keep up with the loan repayments.

I appreciate the support [Bank Name] has provided so far, and I am hopeful that you will consider my request favorably. A reduction in the principal amount would not only alleviate my financial burden but also enable me to continue with the repayment process more effectively.

Thank you for considering my application. I look forward to your positive response.

Sincerely,
[Your Name]
[Your Address]
[Your Contact Number]
[Your Email Address]