

## Sample Cover Letter to Loss Mitigation Department

DATE

Wells Fargo Bank  
Attn: Loss Mitigation Representative

**Re: Loan #99999**

Dear Mr. Smith:

As you know Frank and Betty Hood own the property located at 123 N.W. 15 Court, Phoenix, AZ 85060 and are facing foreclosure. I am interested in buying their house, but they owe far more than the property is worth in its' present condition. Their attorney is advising them to file bankruptcy, but they don't want to drag this on any longer. They wish to sell the house to me, save their credit from foreclosure and save you the hassle of having to complete the foreclosure process, and simply get on with their lives.

After much consideration and due diligence, I am willing to purchase the property from them. However, because of its poor condition I cannot offer market value. The property needs a lot of work to bring it up to current market standards. I've called a local Realtor® and asked for the current market values and have based my offer accordingly keeping in mind the necessary repairs. I can provide you with a BPO upon your request.

Based on the area comps, you can see that Frank & Betty now owe Wells Fargo Bank far more than their property is worth. My offer is \$88,000 cash as payment in full inclusive of all fees, taxes, etc. I am prepared to close in 30 days. However, this offer is contingent on Wells Fargo Bank waiving any deficiency judgment against Frank and Betty Hood concerning the shortage.

Attached is the authorization to release, contract for purchase, net sheet, photos of the property, contractor's estimate of repairs, comparable sales in the area, a hardship letter, written by the Hoods and my proof of funds letter. Please review the attached documents and respond at your earliest convenience. We urge you to accept our proposal and move for a quick closing on this property.

Thank you for your cooperation. I look forward to working with you to help the Frank and Betty.

Sincerely,

## Sample Hardship Letter – This should be hand written

Bank of the South Pole  
RE; Loan # 10000  
Joe and Mary Smith

Date

To Whom It May Concern:

I am writing this letter to share some of the problems myself and my family have encountered in recent months. As you are aware, my property located at address is currently facing foreclosure. I have tried to sell the property for quite some time and have had no offers. One investment company has made an offer of \$88,000 as full payment. Based on that being the only offer I have, I beg you to accept the offer being submitted by \_\_\_\_\_..

Please accept this offer as payment in full. I've called my attorney who has advised me to file bankruptcy. I do not wish to make my credit situation any worse than it already is. I just want to start a new chapter in my life.

I am in the airline industry and things have still never recovered from 9-11, I'm sure you can understand. I'm seeking work from any other industry but with the current economy, it is just not possible to find something that replaces my previous income! I am running 3 months behind on all my obligations; late notices are attached as well.

I am enclosing my bank statements, late notices on my car, other documents showing my struggle. I have also attached my tax returns from 200\_\_\_\_.

If there is anything else I can provide you to help in your decision, please feel free to contact me.

Sincerely,  
Homeowner