

Sample Letter #1: Modified Payment Plan Letter to Lender

Date

ABC Auto Lender
123 Main Street
Anytown, USA ZIP
Attn: Mr. Joe Smith

RE: Your Full Name
Address, City, State, ZIP
Car Loan #: 000-000-000

Dear Mr. Smith:

To follow-up our phone conversation on *Day of Week, Date, at Time of Day*, I write to confirm details pertaining to my car loan #: 000-000-000.

Due to my current financial situation and (i.e. *loss of employment*), I am unable to maintain my monthly car payment of (\$400.00) for the next (*six months*). In (*July 2013*), I expect to have secured employment which will enable me to resume payments on the car.

(*Name of lender*) has agreed to suspend and freeze my full car payment and offered me the following terms:

- January, February and March 2013: No money will be due on the 15th of the month.
No late fee will be charged.
- April, May and June 2013: ¼ payment, \$100.00, will be due on the 15th of the month.
No late fee will be charged.
- Beginning July 2013, I will resume payments at \$400.00/mo. on the 15th of the month.

The total unpaid balance of car payments from January – June 2013 = \$2100

(\$400 x 3 months = \$1200) + (\$300 x 3 months = \$900) = \$2100.

Name of lender has agreed to add \$2100 to the back end of my loan. This will extend my loan from July 2013 to January 2015. Interest in the amount of 4% will accrue monthly on \$2100, between July 2013 and January 2015. If I payoff the total balance owed in advance of January 2015, interest will be calculated through the payoff date. Based on the terms of this plan, I will not be in default (nor default status).

Please prepare a written addendum to my original finance contract of 00/00/00, which reflects this modification. I would expect to receive a signed addendum from your office no later than 00/00/00.

Thank you for working with me.

Yours truly,

Joe Consumer
Address
City, State, ZIP
Phone

Note: Maintain a copy of this letter for your files.
Send this letter via Certified Mail, *Return Receipt Requested*.