

**Date:** [Insert Date]

**Lender/Servicer Name:** [Insert Lender Name]

**Account Number:** [Insert Mortgage Account Number]

**Property Address:** [Insert Property Address]

**Subject: Forbearance Agreement Regarding Financial Distress**

Dear [Insert Contact Name or Loss Mitigation Department],

This letter serves as a formal agreement between [Insert Borrower Name(s)] ("Borrower") and [Insert Lender Name] ("Lender") regarding the mortgage for the property located at the address listed above.

### **1. Background of Financial Hardship**

The Borrower is currently experiencing financial distress due to [Insert Reason: e.g., unemployment, medical emergency, or natural disaster]. As a result, the Borrower is unable to maintain the regular monthly mortgage payments at this time.

### **2. Forbearance Period**

The Lender agrees to temporarily reduce or suspend mortgage payments for a period of [Insert Number] months, beginning on [Start Date] and ending on [End Date]. During this period, the Lender will refrain from initiating or continuing foreclosure proceedings.

### **3. Terms of Agreement**

During the forbearance period, the monthly payment will be adjusted to \$[Insert Amount] or suspended entirely. The Borrower understands that interest will continue to accrue on the unpaid principal balance according to the original terms of the mortgage note.

### **4. Repayment Plan**

Upon the expiration of the forbearance period, the Borrower agrees to resolve the deferred amount through one of the following methods, subject to final review:

- A lump-sum payment (reinstatement).
- A repayment plan added to future monthly installments.
- A loan modification or payment deferral to the end of the loan term.

### **5. Communication**

The Borrower agrees to contact the Lender at least 30 days prior to the end of the forbearance period to provide an update on their financial status and finalize the repayment strategy.

By signing below, both parties acknowledge and agree to the terms set forth in this Forbearance Agreement.

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**Borrower Signature**

Date: [Insert Date]

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**Lender Representative Signature**

Date: [Insert Date]