

**Date:** [Insert Date]

**Loan Number:** [Insert Loan Number]

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

# **Subject: Forbearance Plan Terms and Conditions**

Dear [Borrower Name(s)],

This letter outlines the terms and conditions of your Forbearance Plan. This plan is a temporary arrangement intended to provide immediate relief by reducing or suspending your monthly mortgage payments due to financial hardship.

## **1. Forbearance Period**

Your forbearance period will begin on [Start Date] and is scheduled to end on [End Date]. During this time, your monthly payment will be [reduced to \$Amount / suspended].

## **2. Repayment Obligation**

Please be advised that forbearance is not debt forgiveness. You are still responsible for all principal, interest, taxes, and insurance premiums that accrue during this period. At the end of the forbearance period, you must contact us to determine a permanent solution for the unpaid amounts.

## **3. Payment Options at End of Plan**

Once the forbearance period expires, the following options may be available to you, subject to eligibility:

- **Reinstatement:** Paying the total past-due amount in one lump sum.
- **Repayment Plan:** Adding a portion of the overdue amount to your regular monthly payments over a set period.
- **Deferral or Partial Claim:** Moving the past-due balance to the end of your loan term.
- **Loan Modification:** Adjusting the original terms of your loan (such as interest rate or term length) to make payments more affordable.

## **4. Credit Reporting**

During the term of this plan, we will report your account to the credit bureaus in accordance with the Fair Credit Reporting Act and applicable emergency relief legislation. [Optional: Specify if reporting as "current" or "affected by disaster"].

## 5. Additional Conditions

- You must notify us immediately if your financial situation improves.
- Late fees will be waived for payments covered by the forbearance period.
- Escrow items (taxes and insurance) will continue to be managed by the lender.

To accept these terms, please sign and return this document by [Deadline Date]. If you have any questions, please contact our Loss Mitigation Department at [Phone Number].

Sincerely,

[Lender Name]

[Lender Address]

[Lender Phone Number]

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### **Borrower Acceptance:**

I/We agree to the terms and conditions outlined above.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_