

Appendix D – Sample Letter to Creditors

Your Name

Street Address

Your City, State Zip

Date

XYZ Company

Street Address

City, State Zip

Attention: Delinquent account representative

Subject: ***Your account number***

Dear Sir or Madam:

This letter is to inform you that I am experiencing financial difficulties. I am having trouble making my minimum monthly payment because of a ***recent divorce and job change to a lower salary***. I hope we will be able to agree on an acceptable debt repayment plan.

I have evaluated my financial situation. I have prepared a realistic, minimum budget for my living expenses and have developed a debt repayment program. I am asking each of my creditors to accept a reduced payment. Amounts will be increased as soon as possible until the debt is totally repaid.

I owe ***18 creditors over \$7,500***. My asset value is less than ***\$3,000***. My only assets are ***a car with a blue book value of \$1,000, some home furnishings worth \$1,500, and my clothing***. My monthly take-home pay is ***\$708***. I have ***\$242*** left over for debt repayment after basic living expenses. I would like you to accept a partial payment of ***\$50 per month for 34 months***, which will repay my obligation. I would appreciate receiving your written response accepting this payment plan. You may expect the first payment on ***(month day, year)***.

Thank you.

Sincerely,

Your signature

Print your name

NOTE: The items in bold italics above should be changed to meet your situation.

Worksheets were adapted with permission from publications from The University of Georgia Cooperative Extension Service and The University of Maryland Cooperative Extension Service.

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