

October 16, 2014

Private Student Loan Inquiry Sample Letter

You're saying: "I may be eligible for a lower monthly payment. What are my options?"

You may use the sample letter on the next page to ask your loan servicing company **for more information about how to lower your monthly payment.**

How to use this sample letter:

1. Read the background below.
2. Fill in your information on the sample letter and edit it as needed to fit your situation. Delete any information that doesn't apply to you, or isn't information you're looking for. You may also wish to complete the attached worksheet to help you determine how much you can afford to pay each month. You may choose to send the letter by certified mail or another method by which you can establish when the letter is received by the intended recipient. You may also cut and paste the text below into the "Send a Message" or "Contact Us" feature when you log into your account on the servicer's website.
3. Keep a copy for your records.

Background

After listening to you and to the student loan industry, we've developed some advice for borrowers who want accurate information on alternative repayment plans and loan modification options, including a set of instructions that you can consider sending to your private student loan servicer (the company that sends a bill each month).

Although some companies are willing to help borrowers during a time of financial distress, unfortunately, not all private student loan companies offer assistance when consumers are struggling to repay their loans. Using this letter may help you get a clear answer and avoid long hold times and transfers from one call center representative to another.

These instructions may help you get valuable information on repayment options to reduce your monthly payment or to temporarily postpone making payments. You can also include a sample financial worksheet that you can use to determine the maximum amount of money you can put toward student loans.

Sample letter begins on the next page

[Your name]
[Your return address]
[Date]

[Loan Company name]
[Correspondence Address on Your Bill]
Re: Request to lower my monthly payment [Account number for the loan, if you have it]

Dear [Loan Company Name]:

I am writing to you because I need to reduce my monthly private student loan payment due to a financial hardship. I am requesting a payment that allows me to meet my other necessary living expenses.

Please conduct a review of my account to determine whether I am eligible for an alternative repayment plan.

[This paragraph is optional] I believe I can afford to pay \$____ per month toward my loan(s). If you require details on my monthly income and expenses, I have attached a worksheet which you can use to make an evaluation.

If you require additional authorization in order to reduce the amount of my monthly payment, please consider this letter a written request that you contact my lender or other authorized party to conduct a review of my account and provide a response within 15 days of receipt of this letter.

If you do not grant this request for a reduced payment plan, I will be at risk of default. If I receive a reduced payment plan, I may be able to avoid default, which is in the best interest of all parties.

If you determine that you are unwilling to provide a reduced payment plan, please provide the following information:

- What available reduced payment options do you offer other than forbearance?
- For what reason(s) am I ineligible for these repayment programs?
- If I am not eligible for these repayment programs, when will I become eligible?
- What steps do I need to take to qualify for these repayment programs?
- Do you anticipate modifying these repayment programs in the future?
- Where on your website can I find additional information on these alternative repayment programs?

In addition, if you are unable to provide any of the information or documentation I have requested or otherwise cannot comply with this request, please provide an explanation.

I hope we will be able to agree upon an acceptable repayment plan.

Thank you for your cooperation.

Sincerely,

[Your name]
[Your contact info]

Reduced Private Student Loan Repayment Request Worksheet

Borrower Name: _____

Account Number: _____

I am not able to make my monthly payment of _____ (amount currently due) on my student loan because I am experiencing a financial hardship.

_____ I have attached my most recent pay stubs, bank statement, or other documentation that may help to verify the amounts listed on this worksheet (*mark an X to the left if included*).

INCOME: (ex. monthly take home pay)	
	\$
	\$
A. Total Income:	\$

Living Expenses: (ex. Housing, groceries, utilities, telephone, transportation, insurance)	
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
B. Total Expenses:	\$

Maximum Available for Student Loan Payment (Total Income Minus Total Expenses)	\$ _____
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