

Debt Know How

MasterCard
International



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Sample Letter to a Creditor

If you are having trouble paying your bills, contact your creditors, explain the problems you're having and propose a payment plan.

Date: _____

Your Name
999 Any Street
Your Town, ST 54321-1234

UpTown Furniture
888 Some Street
Your Town, ST 54321-5432
Attention: Delinquent Account Representative

RE: Your Name, Account Number: LW5678

This letter is to inform you that I am experiencing unforeseen financial difficulties. I am having trouble making my account payments due to a recent divorce and job change with a lower salary. I write hoping that we will be able to agree on a mutually acceptable debt-repayment plan.

I have evaluated my financial situation, and I have prepared a realistic budget for my living expenses. I am asking each of my creditors to accept reduced payments, with the hope that amounts will be increased as soon as possible. I am committed to paying my debts in full.

My debts total more than \$ _____, and my assets are valued at \$ _____. My budget leaves me \$ _____ per month for debt repayment after basic living expenses.

I would like you to accept a partial payment of \$ _____ per month for _____ months, which will repay my obligation. You may expect my first payment on _____.

Thank You.

Sincerely,

Your Name

Source:

Adapted by Cindy M. Petersen, University of Minnesota Extension Service, from Dollar Works Curriculum, Handout 9-3, p. 9.16, University of Minnesota Extension Service.