**Bank requirements for default explanation letters**

Australian lenders have strict requirements for letters explaining any credit problems you may have.

Please use the below rules as a guide to help make your home loan application as smooth as possible.

Your letter should be:

* Dated.
* Signed.
* Contain your full name and address.
* Explain what happened in as much detail as possible.
* Provide any evidence that supports why you defaulted on the credit facility including receipts, letters, insurance policies and contracts (only send copies so you can hold onto the originals).
* Include a sentence confirming that you understand how serious the credit problem was and intend never to get into that situation again.

Most lenders will accept a faxed copy but some will require your mortgage broker to hold the original on file.

### Sample explanation:

### Incorrect direct debit details

*I recently switched from ANZ to CBA and informed my local gym of my new account details.*

*They never updated their system with the correct account number and so consequently my bill went unpaid.*

*As a result of this the gym lodged a default on my credit file. This bill has since been paid.*