Sample letter of explanation

Keep these 3 things in mind as you write:

1.       What happened?

2.       Why did it happen?

3.       How has your situation changed, and what have you learned?

**Dear Sir or Madam Underwriter,**

This letter documents the circumstances surrounding my salary discrepancy for the year 2012, as well as one credit default as a result of this time, as described in connection with my mortgage application.

**June 14, car accident and salary discrepancy for 2012**

June 14, 2012, I was in a car accident that resulted in a severe concussion and my vehicle being totaled. The collision has long since been declared the other driver’s fault, due to their running a red light. I have enclosed both a doctor’s note and an acknowledgment letter from my car insurance company confirming these details.

I was unconscious for five days in the hospital and required to stay another 5 for exams before being released. In that time I used up my remaining sick and vacation time at work. I had already taken time off in February 2012 for my honeymoon.

After being released from the hospital, I rested at home an additional three days before attempting to go back to work. While at work, I experienced severe dizziness. I am an accountant and spend all day examining figures on a computer screen, and it turned out to be too much after my concussion. While in the lunchroom I began to black out and two coworkers ran to catch me. My manager recommended I go home and stay home until I was truly able to withstand full-time work. I have enclosed notes from all three parties detailing these events.

The next day I saw my doctor, and she recommended I spend one more week at home before another check-up. One week later I saw her again and was cleared to return to work.

In total I missed 18 days of work, with 13 not covered by PTO, resulting in a $7,000 deduction from my salary overall.

**Late Payment dated June 27, 2014, with American Express - $234.70**

My American Express bill was due June 18 - my fourth day in the hospital. My wife did not make the payment because we opt for paperless billing and notifications are sent to my email address. She was in the hospital with me.

I was unable to pay the bill until I had regained consciousness, recovered slightly, and checked my inbox. I found the late notice paid the bill immediately. Despite this setback and its overwhelming circumstances, I have always been in great standing with my credit, as evidenced by my 740 credit score.

Thank you for allowing me to go into detail about these issues, whose resolutions are supported by the attached documents. I have experienced a very difficult year, but my wife and I have still managed to stay in great financial standing and have been fully insured on the medical and auto front. Please understand that these events were a rare and unwelcome occurrence, and I am made an even more excellent candidate by my ability to prepare well for unforeseen trouble. You will be glad you approved us for this loan.

Sincere Regards,

## John Doe