**SAMPLE LETTER OF EXPLANATION
FOR CREDIT CHALLENGED BUYERS**

Re: Mortgage (FHA and/or VA Loan Application)

Dear Sir or Madam:

This letter provides explanations for each derogatory item on my credit report obtained in connection to my mortgage application.

**1. Late payments dated 12/07 and 01/08 in regards to current ACME Credit Union (Auto loan) –
balance $845**

In December 2007, immediately prior to the loan's “due date” (December 20th) while speaking with an
account specialist, I accepted their kind offer to “skip-a-payment” (a yearly offer during the holidays) in order
to be more generous with my family during that holiday season. Having been assured that arrangement had
been made, I did not send in that month's payment.

January 21, 2008, I remitted my January payment, unaware that a “mix-up” had occurred in processing my
“skip-a-payment,” causing my January payment to actually be applied to my December 2007 payment. As I
unaware of the situation, I did not make the “extra” payment to apply to my January 2008 payment, which
would have brought my account current.

I was notified of this situation in February (approximately the 20th) when I arrived at my local branch to make
my February payment. I explained the situation and immediately paid the delinquent amount, thus bringing
my account current.

As I had believed the matter to be resolved, and being fairly ignorant of FICO scoring, I did not believe there
was reason to check my credit reports until March 2008. Whereupon, I realized that the misunderstanding had
been reported to the major credit bureaus. I immediately called Tyndall and spoke to the account specialist
who then said that it was “too late” to fix, but apologized for her part in the misunderstanding.

Thank you very much for your time and consideration.

Very respectfully,

Mr. Wonderin