

[Your Name/Company Name]  
[Your Address]  
[City, State, Zip Code]  
[Phone Number]  
[Email Address]

[Date]

[Lender Name]  
[Contact Person/Department]  
[Lender Address]  
[City, State, Zip Code]

**RE: Debt Settlement Proposal for Loan Account #[Account Number]**

Dear [Contact Person Name],

This letter is a formal proposal to settle the outstanding debt on the above-referenced commercial loan account. Currently, the balance on this account stands at \$[Total Balance].

Due to [briefly state reason: e.g., economic downturn, business closure, or financial hardship], [Company Name] is unable to fulfill the original terms of the loan agreement. We are reaching out to find a mutually beneficial resolution to avoid further delinquency or legal action.

We propose a one-time, lump-sum payment of \$[Settlement Amount] as full and final satisfaction of the debt. This amount represents [Percentage]% of the current total balance. We are prepared to make this payment within [Number] days of receiving your written acceptance of this offer.

By accepting this offer, [Lender Name] agrees to:

- Accept the proposed amount as payment in full.
- Release [Company Name] and any personal guarantors from all further liability regarding this loan.
- Report the account to credit bureaus as "Settled in Full" or "Paid as Agreed."
- Release any liens or collateral held against this loan.

This offer is made for settlement purposes only and does not constitute an admission of liability for the full debt amount if this proposal is rejected. Please provide your response in writing by [Deadline Date].

Thank you for your time and consideration of this proposal. I look forward to resolving this matter quickly.

Sincerely,

[Your Signature]  
[Your Printed Name]  
[Your Title/Position]