

[Your Name]  
[Your Address]  
[City, State, Zip Code]  
[Phone Number]  
[Date]

[Name of Creditor/Collection Agency]  
[Address]  
[City, State, Zip Code]

**RE: Settlement Agreement for Account Number: [Your Account Number]**

Dear [Name of Contact Person or Department],

This letter serves as a formal agreement between [Your Name] (the "Debtor") and [Name of Creditor/Agency] (the "Creditor") regarding the outstanding balance on the above-referenced account.

Both parties hereby agree to the following terms for the full and final settlement of this debt:

1. **Settlement Amount:** The Creditor agrees to accept a one-time lump sum payment of \$[Amount] as full and final payment of the debt.
2. **Payment Due Date:** This payment shall be sent to the Creditor no later than [Date].
3. **Account Status:** Upon receipt and clearing of the agreed-upon payment, the Creditor agrees to mark the account as "Paid in Full," "Settled in Full," or "Account Closed/Settled" with all relevant credit reporting agencies.
4. **Release of Liability:** Upon fulfillment of this payment, the Debtor is released from any and all further liability or obligations regarding this specific account. The Creditor agrees to cease all collection activities and will not sell or transfer any remaining balance to a third party.

By signing below, both parties acknowledge their acceptance of these terms.

Sincerely,

---

[Your Signature]  
[Your Printed Name]

**Accepted by Creditor:**

---

[Representative Signature]  
[Title]  
[Date]