

[Your Name]
[Your Address]
[Your Phone Number]
[Your Email Address]

[Date]

[Creditor or Collection Agency Name]
[Contact Person, if known]
[Address]
[City, State, Zip Code]

RE: Settlement Proposal for Account Number: [Your Account Number]

Dear [Name of Contact Person or Collections Department],

I am writing to you regarding the outstanding balance of \$[Total Debt Amount] on the above-referenced account. I am aware that this account is currently in default and that legal action may be under consideration.

I would like to resolve this matter amicably and avoid the costs and time associated with litigation. Due to my current financial situation, I am unable to pay the full balance. However, I am prepared to offer a one-time, lump-sum payment of \$[Settlement Amount] as a full and final settlement of the debt.

Acceptance of this offer is contingent upon the following conditions:

- The payment of \$[Settlement Amount] will be accepted as full satisfaction of the debt.
- Your company agrees to waive all remaining interest, late fees, and penalties.
- Your company will cease all collection efforts and agree not to pursue further legal action.
- Upon receipt of payment, you will report the account to all credit bureaus as "Settled in Full" or "Paid in Full."

Please provide a written response within [Number of Days, e.g., 10] business days to confirm your acceptance of these terms. Once I receive your written confirmation, I will issue the payment via [Payment Method, e.g., Certified Check/Wire Transfer] immediately.

This proposal is made for settlement purposes only and does not constitute an admission of liability or a waiver of any rights in any future legal proceedings.

Sincerely,

[Your Signature]

[Your Printed Name]