

Date: [Insert Date]

To: [Name of Creditor/Collection Agency]

Address: [Street Address]

City, State, Zip: [City, State, Zip Code]

RE: Settlement Agreement for Account Number: [Insert Account Number]

Dear [Name of Contact Person or Department],

This letter serves as a formal agreement between [Your Name] ("Debtor") and [Creditor Name] ("Creditor") regarding the settlement of the above-referenced debt.

The current outstanding balance on this account is \$[Insert Total Amount Owed]. Both parties agree to settle this debt in full for the reduced amount of \$[Insert Settlement Amount].

The terms of this agreement are as follows:

- The Debtor agrees to pay the settlement amount of \$[Insert Settlement Amount] by [Insert Date Payment is Due].
- Payment will be made via [Insert Payment Method, e.g., Certified Check/Wire Transfer].
- Upon receipt of the aforementioned payment, the Creditor agrees to consider the debt paid in full and satisfied.
- The Creditor agrees to release the Debtor from any further liability or obligations regarding this account.
- The Creditor agrees to notify all relevant credit reporting agencies that the account is "Settled in Full" or "Paid as Agreed" and will cease all collection activities.

Please sign and return a copy of this letter to confirm your acceptance of these terms. Once I receive the signed agreement, I will forward the payment as specified.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Phone Number]

Accepted by Creditor:

[Representative Signature]

[Printed Name and Title]

[Date]