

[Your Name/Company Name]
[Your Address]
[City, State, Zip Code]
[Date]

[Debtor Name]
[Debtor Address]
[City, State, Zip Code]

Re: Notice of Debt Forgiveness

Account Number: [Account Number]
Original Debt Amount: \$[Amount]

Dear [Debtor Name],

This letter is to formally notify you that [Your Name/Company Name] has decided to cancel and forgive the remaining balance of the debt associated with the account mentioned above. We have determined this debt to be uncollectible.

As of [Date], you are no longer required to make payments toward this balance. We will update our internal records to show that this account is closed and the debt has been discharged. No further collection actions will be taken against you regarding this specific debt.

Please be advised that the Internal Revenue Service (IRS) may consider forgiven debt as taxable income. If the amount forgiven is \$600 or more, we may be required to file Form 1099-C (Cancellation of Debt) with the IRS. We recommend consulting with a tax professional regarding any potential tax implications.

Please keep a copy of this letter for your personal records as proof that the debt has been forgiven.

Sincerely,

[Your Signature]

[Your Printed Name]
[Your Title/Position]