

Date: [Insert Date]

Creditor Name: [Insert Creditor/Collection Agency Name]

Account Number: [Insert Account Number]

Current Balance: [Insert Total Amount Owed]

Subject: Debt Settlement Agreement

Dear [Insert Name of Contact Person or Department],

This letter serves as a formal agreement between [Insert Your Name] (the "Debtor") and [Insert Creditor Name] (the "Creditor") regarding the settlement of the aforementioned account.

The Creditor agrees to accept a total settled amount of **#[Insert Total Settlement Amount]** as full and final satisfaction of the debt. This settlement shall be paid in structured installments according to the following schedule:

- **Payment 1:** \$[Amount] due on [Date]
- **Payment 2:** \$[Amount] due on [Date]
- **Payment 3:** \$[Amount] due on [Date]
- **Final Payment:** \$[Amount] due on [Date]

Terms and Conditions:

1. Upon receipt of the final payment, the Creditor agrees to consider the account paid in full.
2. The Creditor agrees to cease all collection activities, including phone calls and legal actions, provided the payments are made as scheduled.
3. The Creditor agrees to report the status of this account to all relevant credit bureaus as "Settled" or "Paid in Full" within 30 days of the final payment.
4. If any payment is missed, this agreement may be rendered void, and the original balance may become due.

Please sign and return a copy of this letter to confirm your acceptance of these terms.

Debtor Signature

Creditor Representative Signature

Date: _____