

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

[Date]

[Name of Contact Person or Department]
[Name of Creditor or Collection Agency]
[Address]
[City, State, Zip Code]

RE: Account Number: [Your Account Number]

Dear [Contact Person Name or Collections Department],

I am writing in response to your recent settlement offer dated [Date of their letter] regarding the above-referenced account. I appreciate your willingness to resolve this matter.

While I would like to accept your proposal, I am currently experiencing severe financial hardship due to [briefly state reason, e.g., unemployment, medical emergency, or reduced income]. Based on my current financial situation and monthly expenses, I am unable to meet the amount you requested.

As a counter-offer, I am proposing a one-time, lump-sum payment of \$[Amount you can afford] as full and final settlement of this debt. This amount represents the maximum I can provide at this time by [mention source of funds, e.g., borrowing from family or liquidating small assets].

This offer is contingent upon the following terms:

- The payment of \$[Amount] will be accepted as payment in full for the total balance.
- Your company will report the account to all credit bureaus as "Paid in Full" or "Settled in Full."
- All collection activity will cease, and no further interest or fees will accrue.
- Your company agrees to waive any remaining balance and will not sell the remaining debt to another party.

If these terms are acceptable, please provide a written agreement signed by an authorized representative of your company. Once I receive the written confirmation, I will issue the payment via [mention payment method, e.g., cashier's check or money order] within [Number] business days.

Thank you for your time and understanding in this matter.

Sincerely,

[Your Signature]

[Your Printed Name]