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

Date: [Insert Date]

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

Dear [Contact Person Name or Collections Department],

This letter serves as formal confirmation of the debt settlement agreement reached between [Your Company Name] ("Debtor") and [Creditor Name] ("Creditor") on [Date of Verbal or Email Agreement].

The parties hereby agree to the following terms:

- **Current Outstanding Balance:** $[Insert Total Amount Owed]
- **Agreed Settlement Amount:** $[Insert Agreed Lump Sum]
- **Payment Due Date:** [Insert Date]

Upon timely receipt of the Agreed Settlement Amount, the Creditor agrees to accept this payment as full and final satisfaction of the total debt. The Creditor shall release the Debtor from any further liabilities, claims, or demands regarding this account.

Furthermore, within thirty (30) days of receiving payment, the Creditor agrees to notify any relevant credit reporting agencies that the account has been "Settled in Full" or "Paid as Agreed" and will update the internal balance to zero.

Please sign and return a copy of this letter to acknowledge your acceptance of these terms. Payment will be issued via [Insert Payment Method, e.g., Wire Transfer/Check] upon receipt of this signed document.

Sincerely,

[Your Signature]
[Your Printed Name]
[Your Title]
[Your Company Name]

Acknowledge and Agreed by Creditor:

Signature: ____________________________

Name: [Name of Authorized Representative]

Title: ______________________________

Date: ______________________________