

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

[Date]

[Creditor or Collection Agency Name]  
[Contact Person, if known]  
[Address]  
[City, State, Zip Code]

**RE: Settlement Offer for Account Number: [Your Account Number]**

Dear [Contact Person Name or Debt Manager],

I am writing this letter in reference to the delinquent account mentioned above. I would like to propose a formal mediation settlement offer to resolve this matter amicably and avoid further collection efforts or legal action.

Due to [briefly mention financial hardship, e.g., medical issues or unemployment], I am unable to pay the full balance of \$[Total Balance Owed]. However, I am prepared to offer a one-time, lump-sum payment of \$[Offer Amount] as full and final settlement of this debt.

This offer is contingent upon the following terms:

- The payment of \$[Offer Amount] will be accepted as payment in full for the total balance.
- Your company agrees to waive all remaining interest, late fees, and penalties.
- Your company agrees to report this account to the credit bureaus as "Paid in Full" or "Settled in Full."
- All collection activities and legal proceedings regarding this account will cease immediately upon receipt of payment.

Please provide a written agreement confirming your acceptance of these terms. Once I receive the signed agreement on your company letterhead, I will issue the payment via [Method of Payment, e.g., Certified Check] within [Number] business days.

I look forward to resolving this matter quickly. Please respond by [Date].

Sincerely,

[Your Signature]

[Your Printed Name]