Debt Settlement Agreement and Release

Date: [Date]

Creditor: [Name of Creditor/Collection Agency]
Address: [Creditor Address]

Debtor: [Name of Debtor]
Address: [Debtor Address]
Account Number: [Account Number]

1. Settlement Amount: The Creditor and Debtor agree that the current outstanding balance on the Account is $[Full Amount Owed]. The Creditor agrees to accept a reduced lump-sum payment of $[Settlement Amount] as full and final satisfaction of the debt.

2. Payment Terms: The Debtor shall pay the Settlement Amount via [Payment Method] no later than [Due Date].

3. Release of Liability: Upon receipt and clearing of the Settlement Amount, the Creditor shall release the Debtor from any and all further liability, claims, or demands related to this Account. The debt shall be considered paid in full.

4. Credit Reporting: Within thirty (30) days of receiving payment, the Creditor agrees to notify all credit bureaus to which it reports that the account is "Settled in Full" or "Paid in Full" and shall update the balance to zero ($0).

5. Governing Law: This agreement shall be governed by the laws of the State of [State Name].

6. Entire Agreement: This document constitutes the entire agreement between the parties and supersedes any prior oral or written agreements.

Signatures:

____
Creditor Representative Signature
Name: [Name]
Title: [Title]

____
Debtor Signature
Name: [Name]