

[Lender Name]  
[Lender Address]  
[City, State, Zip Code]  
[Phone Number]

**Date:** [Current Date]

**Borrower Name:** [Borrower Full Name]  
**Account Number:** [Account Number]  
**Vehicle VIN:** [Vehicle Identification Number]

**Subject: Confirmation of Auto Loan Settlement Agreement and Payment Plan**

Dear [Borrower Name],

This letter serves as formal confirmation that [Lender Name] has accepted a settlement agreement regarding the outstanding balance on the above-referenced auto loan. We have agreed to settle the current total balance of \$[Total Balance Owed] for the reduced sum of \$[Total Settlement Amount].

This settlement is contingent upon the successful completion of the following payment plan:

- **Down Payment:** \$[Amount] due by [Date]
- **Monthly Installment:** \$[Amount]
- **Number of Payments:** [Number] months
- **Start Date:** [Date of First Payment]
- **Final Payment Date:** [Date of Final Payment]

Payments must be received by the [Day] of each month. If any payment is missed or returned for insufficient funds, this settlement agreement may be rendered void, and the full original balance will become immediately due.

Upon receipt of the final payment as outlined above, the loan will be considered "Settled in Full." [Lender Name] will release the lien on the vehicle title and report the status of the account to the credit bureaus as "Settled" or "Paid for less than full balance" within [Number] days of the final clearance of funds.

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

Sincerely,

[Authorized Representative Name]  
[Title]  
[Lender Name]

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**Borrower Acceptance:**

I, [Borrower Name], agree to the terms and conditions of the settlement payment plan described above.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_