

[Your Name]  
[Your Address]  
[Your Phone Number]  
[Your Email]

[Date]

[Lender Name / Collection Agency Name]  
[Recipient Address]  
[City, State, Zip Code]

**RE: Payment Plan Proposal for Defaulted Loan - Account Number: [Account Number]**

Dear [Contact Name or Department],

I am writing to you in my capacity as the guarantor for the loan held by [Original Borrower Name], which is currently in default. I acknowledge my legal responsibility for this debt and wish to resolve this matter through a formal repayment plan.

Due to my current financial situation, I am proposing the following payment arrangement to satisfy the outstanding balance of \$[Total Amount Owed]:

- **Initial Down Payment:** \$[Amount] to be paid by [Date].
- **Monthly Installment:** \$[Amount] per month.
- **Payment Date:** The [Day, e.g., 1st or 15th] of each month.
- **Duration:** Payments will continue until the total balance is paid in full or a settlement is reached.

In exchange for these regular payments, I request that [Lender Name] agrees to:

1. Cease all collection activities and legal actions against me.
2. Refrain from reporting further negative information to the credit bureaus regarding my status as a guarantor, provided payments are made on time.
3. Waive or reduce accumulated late fees and penalties.

Please provide written confirmation if this proposal is acceptable. Once I receive your signed agreement, I will issue the first payment immediately.

Thank you for your cooperation in resolving this matter.

Sincerely,

[Your Signature]

[Your Printed Name]