

[Date]

[Debtor Name]

[Debtor Address]

[City, State, Zip Code]

**Re: Notice of Cessation of Collection Activities and Issuance of Form 1099-C**

Account Number: [Account Number]

Outstanding Balance: \$[Amount]

Dear [Debtor Name],

This letter serves as formal notification that [Company Name] has ceased all collection activities regarding the above-referenced account, effective [Date].

Please be advised that we have discharged the remaining unpaid balance of \$[Amount]. As a result of this debt cancellation, we are required by Internal Revenue Service (IRS) regulations to report this amount as discharged debt.

Enclosed with this letter (or to be sent under separate cover), you will find **IRS Form 1099-C (Cancellation of Debt)**. This form reflects the amount of canceled debt, which may be considered taxable income by the IRS and your state taxing authority.

We recommend that you consult with a qualified tax professional or accountant to determine how this discharge of indebtedness affects your personal tax filing requirements.

No further payments are required on this account, and no further collection contact will be made by our office regarding this specific debt.

Sincerely,

[Your Name/Signature]

[Your Title]

[Company Name]