

Date: [Insert Date]

Creditor Name: [Insert Creditor Name]

Address: [Insert Creditor Address]

Debtor Name: [Insert Debtor Name]

Account Number: [Insert Account Number]

Total Outstanding Balance: \$[Insert Total Amount]

Subject: Confirmation of Mutual Agreement Debt Resolution

Dear [Insert Name of Contact Person or Department],

This letter serves as formal confirmation of the mutual agreement reached between [Insert Creditor Name] and [Insert Debtor Name] on [Insert Date of Agreement] regarding the resolution of the outstanding debt mentioned above.

The terms of the resolution are as follows:

- **Settlement Amount:** Both parties have agreed to a reduced settlement amount of \$[Insert Settlement Amount].
- **Payment Schedule:** Payment will be made in [a single lump sum / monthly installments of \$___].
- **Due Date:** The final payment is to be received no later than [Insert Date].
- **Method of Payment:** [Insert Payment Method, e.g., Wire Transfer, Certified Check].

Upon receipt of the agreed-upon amount, [Insert Creditor Name] agrees to consider the debt settled in full. The creditor will cease all collection activities and update the status of this account with the relevant credit bureaus as "Settled" or "Paid in Full" within [Insert Number] days of receiving the final payment.

If this letter accurately reflects our mutual agreement, please sign below and return a copy to me. If I do not hear otherwise within [Insert Number] business days, I will proceed according to these terms.

Sincerely,

[Insert Your Name/Signature]
[Insert Your Title, if applicable]

Acknowledged and Agreed by Creditor:

Signature: _____
Name: _____
Date: _____