

[Your Name/Company Name]
[Your Address]
[City, State, Zip Code]
[Date]

[Debtor Name]
[Debtor Address]
[City, State, Zip Code]

RE: Notice of Debt Forgiveness

Dear [Debtor Name],

This letter serves as official acknowledgment that [Your Name/Company Name] has agreed to forgive the outstanding debt owed by [Debtor Name] in the amount of \$[Amount].

The details of the debt are as follows:

- **Original Debt Amount:** \$[Amount]
- **Account/Reference Number:** [Number]
- **Date of Forgiveness:** [Date]

By signing this letter, we confirm that the debt is considered paid in full and canceled. You are no longer under any legal obligation to repay this specific balance. We will update our internal records to reflect a zero balance for this account.

Please be advised that the canceled debt may be considered taxable income by the IRS. We recommend that you consult with a tax professional regarding any reporting requirements or the issuance of a Form 1099-C.

If you have any questions regarding this matter, please contact us at [Phone Number].

Sincerely,

[Signature]
[Your Printed Name]
[Your Title]