Date: [Insert Date]

Creditor/Entity Name: [Insert Name]
Address: [Insert Address]
City, State, Zip: [Insert City, State, Zip]

Debtor/Obligor Name: [Insert Name]
Account/Reference Number: [Insert Number]
Settlement Amount: [Insert Amount]

RELEASE OF LIABILITY AND DEFAULT CLEARANCE

To Whom It May Concern,

This letter serves as formal confirmation that the debt associated with the above-referenced account has been satisfied in full. The Creditor hereby acknowledges receipt of the final payment in the amount of [Insert Amount] as of [Insert Date].

1. Release of Liability: The Creditor hereby releases, acquits, and forever discharges the Debtor from any and all claims, liabilities, demands, or causes of action arising out of or related to the aforementioned account or obligation.

2. Default Clearance: The Creditor confirms that the account is no longer in default. The Creditor agrees to update its internal records and notify all relevant credit reporting agencies within [Insert Number] days to reflect that the account is "Paid in Full" or "Settled in Full," and that the default status has been cleared.

3. Finality: This agreement constitutes the full and final settlement of all obligations between the parties regarding this specific matter. No further collections actions will be pursued.

If there are any questions regarding the status of this release, please contact the undersigned directly.

Sincerely,

____
Authorized Signature
Name: [Insert Printed Name]
Title: [Insert Title]
Company: [Insert Company Name]