

[Your Company Name]
[Your Address]
[City, State, Zip Code]
[Phone Number]

[Date]

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

RE: Notice of Debt Forgiveness and Account Closure

Account Number: [Account Number]
Original Debt Amount: \$[Amount]
Forgiven Amount: \$[Amount]

Dear [Debtor Name],

This letter serves as formal notification that [Your Company Name] has officially forgiven the outstanding balance remaining on the above-referenced account as of [Date].

We have accepted [Settlement Amount, if applicable, or "the current status"] as full and final satisfaction of the debt. You are hereby released from any further financial obligation regarding this specific account. We have updated our internal records to reflect a balance of \$0.00, and the account has been closed.

Please be advised that we will notify the relevant credit reporting agencies that this account has been [Paid in Full / Settled for Less Than Full Balance]. It may take 30 to 60 days for these changes to appear on your credit report.

Important Tax Information: Please consult with a tax professional regarding this debt cancellation. According to IRS regulations, forgiven debt may be considered taxable income, and you may receive a Form 1099-C (Cancellation of Debt) for the current tax year.

No further action is required on your part. Please retain this letter for your permanent records.

Sincerely,

[Signature]

[Name of Authorized Representative]
[Title]
[Your Company Name]