

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

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

RE: Notice of Debt Closure - Account Number: [Account Number]

Dear [Debtor Name],

This letter serves as formal notification that [Your Company Name] has ceased all collection activities regarding the outstanding balance of \$[Amount] on the above-referenced account.

After a thorough review of your account and current circumstances, we have determined this debt to be uncollectible at this time. Consequently, we have closed this file in our internal systems.

Please be advised of the following:

- No further payment demands will be issued by our office.
- The debt has been written off as a bad debt for accounting purposes.
- This action does not necessarily mean the debt is forgiven, but rather that active collection efforts have ended.
- If this debt was previously reported to credit bureaus, we will update the status to reflect that the account is closed.

Depending on the amount of the debt discharged, this action may have tax implications. We recommend consulting with a tax professional regarding IRS Form 1099-C (Cancellation of Debt), which you may receive if applicable.

No further action is required from you at this time.

Sincerely,

[Your Name/Signature]
[Your Title]
[Your Company Name]