

[Date]

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

RE: Account Number: [Account Number]
Collateral: [Year, Make, Model, VIN]

Dear [Borrower Name],

This letter serves as formal notification regarding the status of your account following the voluntary surrender and subsequent sale of the vehicle listed above.

As of [Date], the proceeds from the sale of the collateral have been applied to your outstanding balance. After the application of these funds, a deficiency balance remained on the account. However, [Lender Name] has agreed to waive its right to collect this remaining deficiency balance.

By issuing this waiver, we confirm the following:

- The account is now closed and shows a zero (\$0.00) balance.
- [Lender Name] will cease all collection activities regarding this debt.
- No further legal action will be pursued against you for this specific account.
- We will update the status of this account with the relevant credit reporting agencies as "Closed" or "Settled" in accordance with federal law.

Please note that the waiver of a debt may be considered taxable income by the IRS. You may receive a Form 1099-C (Cancellation of Debt) for the current tax year. We recommend consulting with a tax professional regarding any potential tax implications.

Please retain this letter for your permanent records as proof that the debt has been satisfied and the account is closed.

Sincerely,

[Authorized Signature]
[Name and Title]
[Lender Name]