

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

[Date]

[Lienholder Name]  
[Lienholder Department, e.g., Loss Mitigation]  
[Lienholder Address]  
[City, State, Zip Code]

**RE: Settlement Offer for Account Number: [Your Account Number]**

To Whom It May Concern,

I am writing to formally request a discounted payoff settlement for the junior lien held against my property located at [Property Address]. Due to severe financial hardship, I am no longer able to maintain the scheduled payments on this account.

My financial situation has changed significantly due to [Briefly state reason: e.g., job loss, medical emergency, or reduction in income]. Currently, my total monthly expenses exceed my household income, and the market value of the property is approximately \$[Estimated Property Value]. Based on the balance of the primary mortgage (\$[Primary Mortgage Balance]), there is little to no equity remaining to secure this junior lien.

I am committed to resolving this debt and avoiding foreclosure. I have managed to secure a one-time sum of \$[Offer Amount] from [Source of funds, e.g., a family loan or savings]. I am offering this amount as a full and final settlement of the debt.

Please consider this offer as an alternative to a lengthy foreclosure process or bankruptcy, neither of which would likely result in a recovery for your firm given the current equity position of the home.

If this offer is accepted, I request a written agreement stating that:

- The payment of \$[Offer Amount] will satisfy the debt in full.
- The lien on the property will be released immediately upon receipt of funds.
- The account will be reported to credit bureaus as "Settled in Full" or "Paid as Agreed."

I have enclosed [List documents, e.g., recent pay stubs, bank statements, or a hardship statement] to substantiate my financial claims. I look forward to your response by [Date].

Sincerely,

[Your Signature]

[Your Printed Name]