

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

[Date]

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

RE: Offer for Full and Final Settlement of Second Mortgage

Account Number: [Your Account Number]

Property Address: [Your Property Address]

To Whom It May Concern,

I am writing to formally propose a one-time, lump-sum settlement offer to resolve the outstanding balance on the above-referenced junior lien. Currently, I am experiencing significant financial hardship due to [mention brief reason, e.g., job loss, medical expenses, or decreased property value].

Based on a current assessment of my financial situation and the current market value of the property, it is evident that the property is "underwater" or has insufficient equity to cover the full balance of this junior lien in the event of a sale or liquidation. My records indicate a current balance of \$[Current Balance].

I am offering a lump-sum payment of \$[Offer Amount] as full and final satisfaction of this debt.

This offer is contingent upon the following terms:

- The payment shall be accepted as full and final settlement of the debt, and the remaining balance shall be waived/forgiven.
- Upon receipt of payment, the lien against the property located at [Property Address] shall be released and a Satisfaction of Mortgage shall be filed with the county recorder's office.
- The account shall be reported to all credit bureaus as "Settled in Full" or "Paid in Full for less than the full balance."
- No further collection actions will be pursued against me for this debt.

This offer is valid until [Expiration Date]. Please provide a written acceptance of this proposal on your company letterhead, including instructions for the transfer of funds.

Thank you for your time and consideration of this request.

Sincerely,

[Your Signature]

[Your Printed Name]