

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

[Date]

[Lender Name]
[Loss Mitigation Department]
[Lender Address]
[City, State, Zip Code]

RE: Settlement Offer and Payoff Request

Account Number: [Your HELOC Account Number]

Property Address: [Subject Property Address]

To Whom It May Concern,

I am writing to formally propose a one-time, lump-sum settlement offer for the release of the junior lien held by [Lender Name] on the property referenced above. Currently, I am experiencing financial hardship due to [briefly state reason, e.g., medical issues, job loss, or decreased property value].

Based on a recent appraisal/CMA, the current market value of the property is approximately \$[Current Value]. The balance on the senior lien (first mortgage) is \$[First Mortgage Balance]. Consequently, your junior lien is currently [partially/fully] unsecured by the remaining equity in the home.

I am offering a cash settlement of \$[Offer Amount] in exchange for the full satisfaction of the debt and the immediate release of the lien against the property. This offer is contingent upon the following:

- The reported balance will be marked as "Settled in Full" or "Paid in Full."
- The lender will file a satisfaction of mortgage/lien release with the county recorder within [Number] days of payment.
- The lender waives all rights to pursue a deficiency judgment or any future collection actions regarding this debt.

This offer is valid until [Expiration Date]. If accepted, please provide a formal written agreement on company letterhead outlining these terms. Upon receipt of the signed agreement, I will arrange for the payment to be sent via certified funds or wire transfer.

Thank you for your time and for considering this proposal to resolve this matter amicably.

Sincerely,

[Your Signature]

[Your Printed Name]