

[Your Name]
[Your Address]
[Your Phone Number]
[Your Email Address]

[Date]

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

RE: Settlement and Deficiency Waiver Proposal
Account Number: [Your Account Number]
Property/Vehicle Address/Description: [Description]

To the Loss Mitigation Department,

I am writing to formally propose a settlement regarding the outstanding balance on the above-referenced account. Due to significant financial hardship, I am no longer able to maintain the scheduled payments, and the current market value of the collateral is less than the remaining loan balance (negative equity).

I am proposing a one-time lump sum payment of \$[Dollar Amount] in exchange for the following terms:

- Full satisfaction of the debt and closure of the account.
- Full forgiveness of the remaining deficiency balance (negative equity).
- A written agreement stating that [Lender Name] waives all future rights to pursue legal action or collection efforts for the forgiven amount.
- The account be reported to the credit bureaus as "Settled in Full" or "Paid as Agreed."

Enclosed you will find documentation regarding my current financial situation, including [List documents, e.g., pay stubs, bank statements, or hardship letter].

Please review this proposal and provide a written response within [Number] days. This offer is intended as a good-faith attempt to resolve this matter without the need for further legal proceedings or foreclosure/repossession.

Thank you for your time and consideration.

Sincerely,

[Your Signature]

[Your Printed Name]