

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

[Date]

[Creditor Name]
[Attention: Accounts Receivable/Legal Department]
[Creditor Address]
[City, State, Zip Code]

RE: Notice of Intent to Restructure Debt - Account Number: [Your Account Number]

Dear [Contact Person Name or Collections Department],

This letter serves as formal notice regarding the outstanding balance of \$[Total Amount Owed] currently owed by [Your Name/Company Name] to [Creditor Name].

We are writing to express our sincere intent to satisfy this obligation. However, due to [briefly state reason: e.g., temporary cash flow constraints / economic downturn], we are currently unable to meet the original payment terms. We are submitting this proposal for debt restructuring in a proactive effort to resolve this matter amicably and avoid the necessity of litigation or formal legal proceedings.

Proposed Restructuring Terms:

- **Reduced Lump Sum:** A one-time payment of \$[Amount] to be paid by [Date] as full and final settlement of the debt.
- **Extended Payment Plan:** Monthly installments of \$[Amount] commencing on [Date] for a period of [Number] months.
- **Interest Rate Adjustment:** A request to freeze or reduce interest and penalties to [Percentage]% to allow for principal repayment.

We believe this proposal represents a fair and realistic recovery plan that benefits both parties. We remain committed to fulfilling our financial responsibilities and would prefer to reach a mutually agreeable settlement outside of a courtroom setting.

Please review this proposal and provide a written response by [Date, e.g., 10 business days from now]. If this proposal is acceptable, please provide a signed agreement outlining these new terms. We are also open to discussing alternative structures that may better suit your requirements.

Thank you for your time and consideration of this matter.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title, if applicable]