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

[Date]

[Creditor or Collection Agency Name]
[Contact Person, if known]
[Address]
[City, State, Zip Code]

RE: Account Number: [Your Account Number]

Dear [Contact Person or Accounts Department],

I am writing to you regarding the outstanding balance of $[Total Amount Owed] on the above-referenced account. I would like to resolve this debt, but I am currently experiencing financial hardship and am unable to pay the full balance in a single lump sum.

I am proposing a formal settlement agreement to resolve this account for the reduced total sum of $[Total Settlement Amount]. I propose to pay this amount through an installment plan as follows:

- **Monthly Payment Amount:** $[Amount per month]
- **Number of Payments:** [Number of months]
- **Start Date:** [Date of first payment]
- **Payment Due Date:** [Day of the month] of each month

This offer is contingent upon your agreement that this settlement will constitute payment in full for the account. Upon completion of the final installment payment, you agree to mark the account as "Satisfied," "Paid in Full," or "Settled in Full" with all credit reporting agencies and cease all further collection activities.

Please provide a written response within [Number of days, e.g., 14] days to confirm your acceptance of these terms. Once I receive your written agreement, I will begin the payments according to the schedule above.

Thank you for your cooperation in resolving this matter.

Sincerely,

[Your Signature]

[Your Printed Name]