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

[Date]

[Name of Creditor or Collection Agency]
[Address]
[City, State, Zip Code]

RE: Account Number: [Your Account Number]

To Whom It May Concern,

I am writing to propose a formal settlement regarding the outstanding balance on the above-referenced account. Currently, the balance stands at $[Total Amount Owed].

Due to financial hardship, I am unable to pay the full balance. However, I am prepared to offer a one-time, lump-sum payment of $[Offer Amount] to settle this debt in full. This offer represents [Percentage]% of the total balance.

This offer is contingent upon the following conditions:

- The payment of $[Offer Amount] will be accepted as full and final settlement of the debt.
- You will release me from any further liability regarding this account.
- The account will be reported to the credit bureaus as "Settled in Full," "Paid in Full," or "Account Closed - Paid as Agreed."
- No further collection efforts will be pursued against me for this balance.

If you agree to these terms, please provide a written confirmation letter on company letterhead. Once I receive the signed agreement, I will remit the payment via [Certified Check/Money Order/Electronic Transfer] within [Number] business days.

This offer is made for settlement purposes only and does not constitute an admission of the validity of the debt if this settlement is not reached.

I look forward to your response by [Date].

Sincerely,

[Your Signature]

[Your Printed Name]