

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

**[Date]**

**[Name of Creditor/Collection Agency]**  
[Department Name]  
[Address]  
[City, State, Zip Code]

**RE: Settlement Proposal for Account Number: [Your Account Number]**

To Whom It May Concern,

I am writing to you regarding the outstanding balance on the above-referenced account. I am currently experiencing severe financial hardship due to [briefly mention reason, e.g., job loss, medical illness, or divorce], which has made it impossible for me to maintain my regular payment schedule.

In a good faith effort to resolve this debt, I would like to propose a structured settlement to close this account permanently. My proposal is as follows:

- **Total Settlement Amount:** \$[Insert Total Amount] (This represents [Insert Percentage]% of the current balance).
- **Payment Structure:** A down payment of \$[Insert Amount] to be paid by [Date], followed by [Number] monthly installments of \$[Insert Amount] until the settlement amount is reached.

This offer is contingent upon your agreement to the following terms:

1. The settlement amount is accepted as "Payment in Full" or "Settle in Full" for the entire balance.
2. Upon completion of the payments, you will report the account as "Paid in Full" or "Settled in Full" to all major credit reporting agencies.
3. All further interest charges, late fees, and collection efforts will cease immediately upon acceptance of this agreement.

I am eager to resolve this matter and look forward to your written response. Please understand that this is my best possible offer based on my current financial limitations.

Sincerely,

[Your Signature]

[Your Printed Name]