

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

[Date]

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

RE: Voluntary Settlement Agreement in Lieu of Garnishment

Account Number: [Your Account Number]
Case Number: [Court Case Number, if applicable]

Dear [Name of Contact Person or Department],

I am writing regarding the outstanding debt on the above-referenced account. I am aware of the potential for wage garnishment or legal action to collect this debt. I would like to propose a voluntary settlement agreement to resolve this matter without the need for formal garnishment proceedings.

I am currently experiencing financial hardship, but I am committed to satisfying this obligation. I propose the following arrangement:

[Option 1: Lump Sum Payment]

I offer a one-time lump sum payment of \$[Amount] as full and final settlement of this debt. I can make this payment by [Date].

[Option 2: Monthly Installments]

I offer to pay monthly installments of \$[Amount] starting on [Date] and continuing on the [Day] of each month until the total agreed amount of \$[Total Settlement Amount] is paid in full.

In exchange for this voluntary payment plan, I request that [Creditor Name]:

1. Cease all current or pending wage garnishment actions.
2. Agree not to file any new garnishment proceedings as long as payments are made as agreed.
3. Report the account to credit bureaus as "Settled" or "Paid in Full" upon completion of the payments.

Please provide a written response within [Number] days to confirm if these terms are acceptable. If you agree, please send a signed copy of a formal settlement agreement for my records.

Thank you for your cooperation in resolving this matter.

Sincerely,

[Your Signature]

[Your Printed Name]