

DEBT SETTLEMENT LETTER TO COLLECTOR

[Your Name]
[Your Address]
[Your Telephone]

[Date]

[Debt Collector's Name]
[Collector's Address]
[City, Zip Code]
[Collector's Phone Number]

Re: Debt Settlement Proposal
Account Number: [Account Number]

Dear [Sir/Madam or Collector's Name],

Thank you for taking the time to read this letter. I'm writing in regard to the debt you claim that I owe (referenced above). I'd like to offer to settle the account for a reduced amount. Unfortunately, I'm unable to pay the debt in full due to my business failing, leading to bankruptcy and a loss of income—please accept my apologies.

I've used up my savings to make ends meet and I'm in a financial crisis. Nonetheless, I'd like to work with you to repay this debt, and humbly request that you agree to my terms.

I propose that we settle this debt for **[offer amount]**. In exchange, I also ask that you close this account and report it as paid in full to all of the three major credit bureaus (Experian, Equifax, and/or TransUnion) that you furnish data to. In addition, if I pay this debt, you and any associated companies must agree to release me from all liability related to it, and to take no further action against me to enforce or collect it.

If you agree, please prepare and mail me a written and signed settlement agreement. As soon as I receive the agreement, I'll pay the proposed amount within **[number of days/weeks/months]**. Please be aware that, due to my circumstances, I have several financial obligations to meet. I would like to prioritize yours, and I sincerely hope you'll work with me.

Thank you for your understanding. I look forward to hearing from you soon.

Yours faithfully,

[Your Name]