

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

[Creditor's Name]  
[Creditor's Address]  
[City, State, Zip Code]

Dear [Creditor's Name],

Subject: Debt Settlement Proposal

I hope this letter finds you well. I am writing to formally propose a settlement for my outstanding debt with your company, account number [Account Number]. Due to [briefly explain your financial situation, e.g., loss of income, medical emergencies, etc.], I am currently unable to meet the original terms of my obligation.

I would like to propose a settlement amount of [proposed settlement amount] as a full and final payment for my debt of [total debt amount]. I believe that settling this debt will be mutually beneficial, allowing me to clear my obligations while ensuring you receive a portion of what is owed.

I am hopeful we can agree on this settlement and finalize arrangements at your earliest convenience. Please let me know if you require any additional information or documentation to process my proposal.

Thank you for your time and consideration. I look forward to your positive response.

Sincerely,

[Your Name]

[Your Signature (if sending a hard copy)]