

[Your Name]

[Your Address]

[City, State, Zip Code]

[Email Address]

[Phone Number]

[Date]

[Debt Collection Agency Name]

[Agency Address]

[City, State, Zip Code]

Subject: Financial Hardship Explanation for Debt Settlement

Dear [Debt Collector's Name],

I hope this message finds you well. I am writing to formally explain my current financial situation regarding my outstanding debt with your agency, account number [Account Number].

Due to [briefly explain your financial hardship, e.g., job loss, medical expenses, divorce], I am experiencing significant financial difficulties that have impacted my ability to meet my debt obligations. My monthly income has decreased considerably, making it extremely challenging to manage my expenses and repay my debts.

As a result, I am seeking to explore potential options for settling my debt. I would like to propose a settlement plan that works for both of us. I believe that a reduced amount paid in a lump sum or through an installment plan could be a feasible solution, allowing me to resolve my debt while continuing to manage my financial responsibilities.

I am committed to finding a resolution and would greatly appreciate your consideration of my situation. I am hopeful we can come to an agreement that acknowledges my current financial struggles while still addressing the debt owed.

Thank you for your understanding and attention to this matter. I look forward to your prompt response.

Sincerely,

[Your Name]

[Your Signature (if sending a hard copy)]