DEBT SETTLEMENT AGREEMENT

This Debt Settlement Agreement (this "Agreement") is made on _____, 20____.

Creditor (the party owed the money, or the collector or debt buyer collecting it): _____, mailing address _____.

Debtor (the party who owes the money): _____, mailing address _____.

1. THE DEBT

This Agreement concerns the following debt (the "Debt"): _____. Account or reference number (last four digits only): _____. Original creditor, if the Creditor is a collector or debt buyer: _____.

The Creditor states that the balance owed on the Debt is $_____ as of _____, including any interest, fees and charges it claims (the "Claimed Balance").

2. SETTLEMENT PAYMENT

The Creditor agrees to accept $_____ (the "Settlement Amount") in full satisfaction of the Debt, paid as follows (check one): [ ] in one payment that the Creditor must receive by _____; [ ] an initial payment of $_____ by _____, then _____ [ ] monthly [ ] biweekly [ ] weekly installments of $_____ each, starting _____.

The Debtor does not have to make any payment until both parties have signed this Agreement. No interest or fees will be added to the Settlement Amount while the Debtor is not in default. The Debtor may pay early without penalty.

3. MISSED PAYMENTS

If a payment is not received on time, the Creditor will send written notice, and the Debtor will have _____ days after the notice to make it. If the Debtor does not, the Creditor may end this settlement by written notice, and then (check one): [ ] the Creditor may collect the Claimed Balance less all payments received; [ ] the Creditor may collect only the unpaid part of the Settlement Amount.

4. SATISFACTION AND RELEASE

The Debt is satisfied only when the Creditor has received the full Settlement Amount. When it has, the rest of the Claimed Balance is forgiven, and the Creditor releases the Debtor from all further liability on the Debt and will not sue or take any other step to collect it. [ ] Check here if the Debtor also releases the Creditor from all claims about the Debt and the account up to the date of this Agreement.

If any payment is later recovered from the Creditor in a bankruptcy case, that amount is owed again. The Creditor will not sell or assign the forgiven balance, and any transfer of the Debt before full payment is subject to this Agreement.

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Within _____ days after the final payment, the Creditor will send the Debtor a signed letter confirming the Debt is settled.

5. CREDIT REPORTING

Within _____ days after the final payment, the Creditor will (check one): [ ] report the account with a zero balance as paid in full; [ ] report the account with a zero balance as settled; [ ] ask each credit bureau it reports to to delete the account; [ ] confirm it has never reported the Debt and will not. The Creditor controls only its own reporting; each credit bureau decides how the account appears.

6. TAX REPORTING AND NO ADMISSION

Canceled debt can be taxable income unless an exclusion applies. If the law requires the Creditor to report the canceled amount to the IRS (for example on Form 1099-C), it may do so. The Creditor makes no promise about the tax effect of this settlement.

This Agreement is a compromise. Neither party admits liability or that any amount claimed is correct, and this Agreement is not a new promise to pay the Claimed Balance.

If the Creditor is a debt collector and the Debt is a personal, family or household debt, the Creditor will follow the federal Fair Debt Collection Practices Act and any state collection law in all further contact with the Debtor.

7. GENERAL TERMS

The laws of the State of _____ govern this Agreement. Any lawsuit to enforce it will be brought in the courts serving _____ County. This Agreement is the complete agreement about the settlement of the Debt and can be changed only in a signed writing. If a court finds any part unenforceable, the rest stays in effect. This Agreement may be signed in counterparts and electronically.

Additional terms: _____

SIGNATURES

Creditor

Signature: _____ Date: _____

Printed Name: _____

Debtor

Signature: _____ Date: _____

Printed Name: _____

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