**Re. Payment Settlement Letter**

Dear [Name of the Recipient], I am writing to inform you that I have cleared all my debts and outstanding amounts [mention the date]. I have paid the amount as a settlement of full and final payment of all the outstanding amounts as debts hanging between us.

On [mention the date], I got a loan from your bank which I could not repay in the given time period. Due to the missed installments, the interest rate got higher and it became even tougher for me to repay the loan. However, after [mention the number of months you took to repay], I have paid the outstanding amount.

This letter of payment settlement should serve as a legal document whenever needed. Having paid the amount, I request you acknowledge the payment and release my withholding accounts. Also, I want you to return my blank check which was given as a security check for the sake of repayment of the debt.

Following is the detail of the amount and its repayment

Total Amount: $[X] USD  
Interest: X% ($[X] USD)  
First Installment: $[X] USD  
Second Installment: USD [X]  
Third Installment: Missed  
Fourth Installment: Missed

Fifth Installment: Payment of complete amount $ [XXX] USD

Receipts of every payment have been attached to the letter. Please have a look at them for the date of submission and other details.

Having paid all the loans, I request you to release my documents that were withheld as a security for the repayment of the amount. I have applied for a foreign scholarship, therefore, I need my documents for verification by the concerned university.

Please let me know if I have to process the release of my documents and check in a specified way. Having paid the total amount with interest, I acknowledge that I have no debt to be paid and do not owe you any outstanding amount. Please verify the details on your end and return a copy of this letter to me after signing.

I am thankful to you for providing me with this loan. Also, I am grateful to your staff who remained very cooperative and guided me until I repaid the amount. Thank you.

Best Regards,

[Your Name]  
[Your Title]  
[Your Address]  
[Signature]

Note: Kindly fill in the following space which belongs to you for the validation of this letter of payment settlement.

Name of the Debtor……………………..  
Signature of the Debtor...........................