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Using data from credit card borrowers of a large department store I study the effects of the offer to renegotiate delinquent debt on the ex post behavior of borrowers. On average, renegotiation transitions the delinquent borrower to good standing, higher debt balances and lower monthly payments. Using a regression discontinuity design I find that the offer to renegotiate significantly reduces the unconditional probability of write off up to 18 months later. The renegotiation policy is on average profit neutral for the creditor. Moreover, I show that conditional on ex post write off, borrowers that are offered a renegotiation have lower recovery rates and are ex ante observably worse. This evidence is consistent with a model in which liquidity constrained borrowers that take up renegotiation are able to withstand a temporary shock, but are ex ante indistinguishable from insolvent borrowers that also have an incentive to renegotiate their debt.