What goes on when one person forgives another? In this paper I argue for the Alteration Thesis. According to the Alteration Thesis, forgiveness is an exercise of a normative power, and hence it is an essential feature of forgiveness that it alters the normative situation created by the wrongdoing by means of an act undertaken with the intention of bringing this alteration about. In this paper, I will explain this thesis, defend it against counter-arguments and consider some of its implications. Thinking of forgiveness along the lines suggested by the Alteration Thesis means going against the tide of much recent writing on forgiveness, which has seen forgiveness as consisting essentially in a change of heart towards the wrongdoer. But I will argue that the Alteration Thesis has a number of explanatory advantages over the change of heart approach.