

Credit Agreement Template (Non-Compliant Example)

Parties

This Credit Agreement (“Agreement”) is made between **[Bank Name]** (the “Lender”) and **[Borrower Name]** (the “Borrower”).

1. Loan Amount and Term

The Lender agrees to provide the Borrower with a loan of **[Amount in KGS]** at an annual interest rate of **[High Percentage, e.g., 40%+]**.

The loan term shall be **[Number of Months]**.

2. Early Repayment

If the Borrower repays the loan early, a **penalty fee of [10–20%] of the outstanding balance** shall apply.

3. Fees and Commissions

The Borrower shall pay:

- A **monthly service fee of [5%+]**, in addition to the interest.
 - A **processing commission of [X]%** at disbursement.
 - Mandatory purchase of **insurance** from an affiliate of the Lender.
 - Additional fees may be introduced at the discretion of the Lender.
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4. Data Sharing

The Lender may share the Borrower’s **personal and financial data** with **third parties**, including **marketing and advertising companies**, without requiring further consent.

5. Complaints and Appeals

All complaints must be submitted **only in writing to the Lender’s Head Office** within **[3] days** of the issue. Complaints received later shall not be considered.

6. Collateral

The Borrower shall pledge **[Collateral Description]** as security. If the Borrower is **[10] days late**, the Lender may **seize and sell the collateral without judicial proceedings**.

7. Interest Adjustments

The Lender reserves the right to **unilaterally increase the interest rate** during the loan term, without prior notice to the Borrower.

8. Obligations of the Borrower

The Borrower must maintain a minimum account balance of **[X KGS]** at the Lender at all times. Failure to do so shall constitute grounds for **immediate loan termination**.

9. Governing Law

This Agreement shall be governed exclusively by the **internal policies of the Lender**.

Signed:

[Bank Name] (Lender) _____

[Borrower Name] (Borrower) _____