Dated: __________

____

FOR VALUE RECEIVED, the undersigned, __________ (the "Borrower"), located at __________, __________, __________ __________, hereby promises to pay to the order of __________, (the "Lender"), located at __________, __________, __________ __________, the principal sum of __________ together with interest on the principal balance, and in accordance with the terms set forth below.

Payment. The principal amount of this Loan together with accrued and unpaid interest and all other charges, costs and expenses, is due and payable on or before __________. All payments under this Agreement are applied first to accrued interest and then to the balance of the outstanding principal.

Prepayment. The Borrower has the right to prepay all or any part of the principal amount of this Loan, together with accrued and unpaid interest thereon, at any time without prepayment penalty or premium of any kind.

Costs and Fees. In the event of default, the Borrower shall pay to the Lender all costs of collection including reasonable attorney's fees.

Waiver. The Borrower and all sureties, guarantors and endorsers hereof, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Loan.

Successors and Assigns. This Loan will inure to the benefit of and be binding on the respective successors and permitted assigns of the Borrower. The Borrower may not assign its rights or delegate its duties under this Loan without the Lender’s prior written consent.

Joint and Several Liability. If there is more than one Borrower of this Loan, the obligation of each Borrower shall be joint and several under this Loan.

Amendment. This Loan may be amended or modified only by a written agreement signed by the Borrower and Lender.

Severability. In the event that any of the provisions of this Loan are held to be invalid or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Loan.

Notifications. Any notice or communication under this Loan must be in writing and sent via one of the following options:

Governing Law. This Loan shall be governed by and construed in accordance with the laws of __________.

IN WITNESS WHEREOF, the undersigned has executed this Loan Agreement as of the date first stated above.

____
Signature of Borrower

This page intentionally left blank.

GENERAL INSTRUCTIONS

If you are on either end of a loan, you should consider creating a Loan Agreement to document the loan transaction. Before doing so, you may want to find out more information about what a Loan Agreement is and what it can do for you.

WHAT IS A LOAN AGREEMENT?

A Loan Agreement is a written contract between two parties — a lender and a borrower — that can be enforced in court if one party does not hold up their end of the bargain.

The borrower understands that the money being borrowed will be repaid to the lender at a future date and possibly with interest. Similarly, the lender cannot change their mind and decide to not lend the borrower money, especially if the borrower relies on that promise and makes a purchase with the expectation that they will receive money soon.

A Loan Agreement protects the rights of both the borrower and the lender. Reducing the terms and conditions to writing helps make the parties address and discuss the important terms of the loan transaction ensuring that they are clear and fair to both parties. The document can prevent the lender from taking advantage of the borrower in relation to the repayment of the loan and it can serve to protect the money loaned by the lender.

While the existence of the Loan Agreement itself does not necessarily guarantee that the borrower will repay the money back in a timely manner, the presence of such a document can help to support the lender's claim if legal action has to be taken to reclaim any money. At a minimum, the parties have a written agreement evidencing that a loan has taken place.

WHEN SHOULD ONE BE USED?

There are a number of different scenarios in which a Loan Agreement should be used. If any of the following circumstances apply, you should consider using a Loan Agreement to protect your interests:

- If you borrow money from an individual lender or a business and you want to document the terms and conditions of the loan in writing.
- If you plan to loan any amount of money to another individual or entity and you want to create a formal record of the transaction and specify the terms of repayment.

- If you borrow money from an individual lender or a business and you want to document the terms and conditions of the loan in writing.
- If you plan to loan any amount of money to another individual or entity and you want to create a formal record of the transaction and specify the terms of repayment.
- If you are either the borrower or lender in a loan transaction which involves interest on the principal amount of the loan.
- If you are either the borrower or lender and want a written record defining the loan repayment schedule.

SITUATIONS IN WHICH A LOAN AGREEMENT IS COMMONLY USED

- Private or personal lending between friends, family members, neighbors or colleagues.
- Down payments on property
- Mortgages or real estate loans
- Student or educational loans
- Commercial or business loans
- Loans for car or vehicle purchases

In addition to the situations listed above, there are many other circumstances in which a Loan Agreement would be useful and appropriate.

WHAT TO INCLUDE

When creating a Loan Agreement, it is important to include certain information. To make sure the document is complete, you should include the following:

- Full details of the lender including the name and address
- Full details of the borrower including the name and address
- Principal amount of the loan
- Any interest accrued on the loan and the rate of interest
- Repayment options
- Repayment schedule
- Any additional stipulations relating to the loan such as prepayment or default of the loan

REPAYMENT OPTIONS

The Loan Agreement should clearly set out the repayment schedule so that there is no question as to how and when the borrower must repay the principal amount of the loan and interest (if applicable) to the lender. The most common types of repayment options are lump sum payments, installment payments and "due on demand" payments.