Collateral agreement and assignment in savings account to accompany a promissory note with a financial institution (city and state)

(*date*) $ (amount of the note)

Being desirous as are my sureties on the note mentioned hereinafter that a sinking fund be created to pay off said note at its maturity, I, the undersigned, in consideration of

$1.00 cash in hand paid by the (name of the creditor), (hereafter “Bank”), receipt of which is now acknowledged, and for the further

consideration of said Bank’s making a loan to me of $

(amount of note) for months, and for the further consideration of the sureties on said note signing same, do hereby open a savings account with the Bank and agree to make the following number of consecutive monthly deposits in the same account as follows:

DATE OF FIRST DEPOSIT: \_

MONTHLY DEPOSITS at $ \_ and a final deposit to be made on in the amount of $ .

Each monthly deposit set forth above shall be due on the \_ day of each month until a sufficient fund shall have been accumulated to pay said note in full at its maturity. I hereby transfer and assign to said Bank my Savings Pass Book and my savings account represented by said Savings Pass Book, as additional collateral for said loan, and hereby authorize said Bank or its assigns to apply said funds as a credit on my said note at any time I fail or refuse to continue to make said deposits as above described, and authorize said Bank or the holder of said note, to declare said note due, and when said savings account has accumulated to the amount sufficient to pay said note and the interest thereon, said Bank is authorized and directed to apply the proceeds of said savings account to the payment of said note at its maturity.

(Maker’s address and phone number) \_

/s/ (signature of maker)