

Memorandum of Agreement

KNOW ALL MEN BY THESE PRESENTS:

This Agreement is entered into this _____ day of _____, 20____, at the City/Municipality of _____, Province of _____, by and between:

_____, Filipino, ☐ Company ☐ Individual, of legal age, has a business permit, with postal address at _____, hereinafter referred to as the “**Lender**”;

- And -

_____, Filipino, ☐ Single ☐ Married ☐ Separated ☐ Widowed, of legal age, with postal address at _____, hereinafter referred to as the “**Debtor**”;

(Each of the Lender and the Debtor may be referred to as a “Party” in the singular and “Parties”, collectively.)

WITNESSETH: THAT

WHEREAS, the Debtor has requested a loan of _____ (₱ _____) (the “**Loan**”) from the Lender;

WHEREAS, the Lender has agreed to extend a loan to the debtor subject to the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and agreements hereinafter stated, the Parties agree as follows:

1. **Loan.** The Lender has extended the loan to the debtor, the full amount of which is acknowledged to have been received by the Debtor.
2. **Interest.** The Debtor shall pay interest on the Loan at the rate of _____ Per Cent (_____%) per annum on the outstanding balance. All payment for interest shall be computed daily on the basis of 365-day year for the actual days elapsed. Interest shall accrue from the date hereof until full payment thereof.

3. **Penalty.** If the Debtor fails to pay the Loan as it falls due, the unpaid principal shall, in addition to the stipulated interest which shall continue to accrue on such unpaid amounts, be subject to a penalty rate of _____ Per Cent (_____%) per annum, computed daily on 365-day year basis, commencing on the date immediately and penalty, of the Loan.

4. **Payment.** The Debtor shall fully pay the Loan and any accrued interest to the Lender as follows:

- a) Loan. Within _____ years over _____ (_____) equal installments of _____ (₱ _____) payable every _____ of each year (the "Payment date").
- b) Interest. Any accrued interest shall likewise be paid, in addition to the loan, on the Payment Dates described above.

If any Payment Date would fall on a day which is not a business day, the Loan shall be payable on the next succeeding business day and the interest shall be adjusted accordingly.

5. **Application of Payment.** All payments shall be applied first against penalties; then against interest due on the Loan; then against the principal amount of the Loan then due and payable.

6. **Use of Loan.** The debtor agrees that it will use the proceeds of the loan exclusively for the following:

7. **Taxes and fees.** All documentary stamps due on this Agreement shall be for the account of the Debtor.

8. **Event and Default.** Each of the following shall constitute an Event of Default:

- a) Failure of the Debtor to comply with any of the covenants or obligations expressed or implied in this agreement;
- b) Failure of the Debtor to pay any principal amount or interest, when due and payable in accordance with the terms of this agreement; or with respect to any amount other than the principal or interest, failure of the Debtor to pay within thirty (30) days from the receipt of payment notice for said amount ;
- c) Insolvency of Debtor or the inability of the Debtor to pay its debts when due or commits any act of insolvency;
- d) Where the Lender reasonably believes that the Loan has been used by the Debtor for some purpose other than the agreed Use of Loan;
- e) An attachment or levy upon all or substantial party of the Debtor's property which would materially impair the Debtor's financial ability to perform its obligations under this agreement;
- f) Violation by the Debtor of any law, regulation, judgment, or administrative decision of decree, including non-payment of taxes, in circumstances where the Lender reasonably believes that said violation will have an adverse effect on the Debtor's ability to meet its obligation under this Agreement.

9. **Consequences of Event of Default.** If an Event of Default shall have occurred, the Lender may, by notice in writing, require the Debtor to immediately pay the entire Loan and any accrued interest and penalty.

10. **Notices.** Any notice or communication sought to be made in relation to this Agreement shall be in writing and shall be deemed duly given and sufficient under the following:

- a) on the date given, if by personal delivery;
- b) Ten (10) business days after posting or the date of receipt, whichever is earlier, if transmitted by mail; or
- c) Two (2) business days from date of transmittal or the date of acknowledgement of transmittal, whichever is earlier, if transmitted by facsimile or email.

11. **Waiver and Cumulative Rights.** Failure or delay of the Lender in exercising any right, power, or remedy upon any breach or default of the Debtor under this Agreement shall thereafter not be construed as a waiver, abandonment or cancellation nor shall it impair any such right, power, or remedy. Any waiver on the part of the Lender shall be in writing. All remedies afforded the creditor under this Agreement, by law, or otherwise, shall be cumulative and not alternative.

12. **Governing Law.** This Agreement and all other documents pertaining hereto shall be governed and construed in accordance with the laws of the Republic of the Philippines.

13. **Severability of Provisions.** If any one or more of the provisions contained in this Agreement, or any document executed in connection herewith, shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby.

14. **Assignment.** This Agreement shall be binding upon and enforceable on the Debtor and the Lender and their Respective successors and assigns. The Debtor shall not assign or transfer its rights or obligations hereunder without the prior consent of Lender, which consent shall not be unreasonably withheld.

15. **Entirety.** This Agreement and the documents referred to herein constitute the entire agreement of the parties with respect to the subject matter hereof and shall supersede any prior expressions of intent or understanding with respect to this transaction. Any amendment to this Agreement shall be in writing, signed by or on behalf of the party to be bound or burdened thereby.

16. **Notices.** All communications and notices provided for hereunder shall be in writing and shall be delivered addressed as follows:

To the **BORROWER** :

_____ (Lending Company name)
_____ (Lending Company address)
_____ (City/Municipality)

Attention: _____ (Name of the CEO/Owner)

Lender

Debtor

Signed in the presence of:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
PROVINCE OF _____)
CITY OR MUNICIPALITY OF _____) S.S.

BEFORE ME, a Notary of Public for and in the above jurisdiction, this _____ day of _____, 20_____ personally appeared:

1. _____, with the following competent proof of identification: _____ with number _____ which expires on _____;
2. _____, with the following competent proof of identification: _____ with number _____ which expires on _____

to me known and by me known to be the same persons who executed the foregoing Loan Agreement and they acknowledged to me that the same is their free and voluntary act and deed and that of the entity represented, if any, for the uses and purposes therein set forth.

WITNESS MY HAND AND NOTARIAL SEAL at the place and on the date first herein above written.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.