

PERSONAL LOAN AGREEMENT

1. The Parties.

This Personal Loan Agreement ("Agreement") made this _____, 20_____, is between:

Borrower: _____
with a mailing address of _____

("Borrower") and agrees to borrow money from:

AND

Lender: _____
with a mailing address of _____

and agrees to lend money to the Borrower under the following terms:

2. Loan Amount.

The total amount of money borrowed from the Lender to the Borrower is \$ _____ ("Money Borrowed").

3. Interest Rate.

Borrowed Money: (check one)

☐ ➤ **Reserve Interest.** Borrowed Money will yield _____ % compounded interest:

(check one)

☐ ➤ Annually

☐ ➤ Semi-annually

☐ ➤ Quarterly

☐ ➤ Monthly

☐ ➤ Other: _____

☐ ➤ **DO NOT ACCEPT Interest.** There will be no interest on the Borrowed Money. The Borrower's only obligation to the Lender is to repay the principal balance.

4. Term.

The total amount of Borrowed Money, including principal and interest, will be due and payable on _____, 20____ ("Maturity Date").

5. Payments.

The Borrower agrees to repay the Borrowed Money to the Lender according to the following payment schedule: (check one)

- ☐ ➤ **Monthly Payments.** The Borrower agrees to repay the Lender a payment of \$ _____ on the _____ of each month until the Maturity Date.
- ☐ ➤ **Quarterly Payments.** The Borrower agrees to repay the Lender a payment of \$ _____ every three (3) months on the _____ day of the quarter until the Maturity Date.
- ☐ ➤ **Semi-annual Payments.** The Borrower agrees to repay the Lender a payment of \$ _____ every six (6) months on _____ and _____ of each year until the Maturity Date.
- ☐ ➤ **Annual Payments.** The Borrower agrees to repay the Lender a payment of \$ _____ once per year on _____ of each year until the Maturity Date.
- ☐ ➤ **Lump Sum.** The Borrower agrees to repay the Lender, in full, on the Maturity Date.
- ☐ ➤ **Other.** _____

6. Late Payment.

If a payment is late, the Borrower agrees to pay a late fee of \$ _____ or _____ % of the payment amount, whichever is greater, for each late payment.

7. Security/Collateral.

(check one)

- ☐ ➤ **This loan is SECURED.** The Borrower agrees that until this loan is paid in full, the loan will be secured by: _____
- ☐ ➤ **This loan is UNSECURED.** No collateral or security is required for this loan.

8. Default.

The Borrower will be in default if: (a) a payment is more than _____ days late; (b) the Borrower becomes insolvent or files for bankruptcy; or (c) the Borrower violates any other term of this Agreement. Upon default, the entire unpaid balance and any accrued interest shall become immediately due and payable.

9. Tax Compliance and Record-Keeping.

Tax Compliance: This loan is intended to comply with all applicable federal tax requirements, including minimum interest rate provisions under Internal Revenue Code Section 7872 and related regulations. The parties acknowledge that failure to charge adequate interest may result in imputed income consequences.

Record Keeping: Both parties agree to maintain accurate and complete records of all payments, interest calculations, and loan transactions. Such records shall be retained for at least seven (7) years after the loan is fully satisfied.

IRS Reporting: The Lender acknowledges their responsibility to report interest income as required by law, including filing appropriate tax forms such as Form 1099-INT if applicable. The Borrower acknowledges their responsibility for any applicable interest deductions subject to IRS limitations.

10. Applicable Law.

This Agreement shall be governed by the laws of the State of _____ .

11. Additional Terms.

SIGNATURES

Borrower Signature

Date

Lender Signature

Date

Witness/Notary:

Witness Signature

Date