EMPLOYEE LOAN AGREEMENT

1. 1. Parties and Purpose

This Employee Loan Agreement (the "Agreement") is entered into as of [EFFECTIVE DATE] between [COMPANY NAME], a [ENTITY TYPE] with its principal place of business at [COMPANY ADDRESS] (the "Employer" or "Lender"), and [EMPLOYEE FULL NAME], residing at [EMPLOYEE ADDRESS] (the "Employee" or "Borrower"). The Employee is currently employed by the Employer as [JOB TITLE] in the [DEPARTMENT] department, employee ID [EMPLOYEE ID]. The Employer has agreed to lend money to the Employee on the terms below, and the Employee has agreed to repay it. Each party represents that the person signing below has full authority to do so and that the Employee is entering into this Agreement voluntarily and without coercion.

2. 2. Loan Amount and Disbursement

The Employer agrees to lend the Employee the principal sum of [LOAN PRINCIPAL AMOUNT] (the "Loan"). The Loan will be disbursed on [DISBURSEMENT DATE] by [DISBURSEMENT METHOD, e.g., direct deposit to the Employee's account on file, a separate check, or payment directly to (THIRD PARTY, e.g., the relocation vendor)]. The Loan is disbursed as a single lump sum unless the parties have agreed to the following installment schedule: [DISBURSEMENT INSTALLMENTS AND DATES]. The Employee acknowledges receipt of the funds by signing the disbursement confirmation attached as Exhibit A. The Loan amount is a debt owed to the Employer and is not compensation, a bonus, or a gift.

3. 3. Purpose of the Loan

The Employee represents that the Loan will be used for the following purpose: [PURPOSE, e.g., relocation expenses associated with the transfer to (LOCATION); emergency medical expenses; tuition for (PROGRAM NAME); purchase of a vehicle required for the Employee's duties]. The Employee will provide documentation of the use of funds on request where the Loan was made for a specified purpose, including [REQUIRED DOCUMENTATION, e.g., receipts, invoices, enrollment confirmation]. Use of the funds for a materially different purpose does not excuse repayment and, at the Employer's option, constitutes an event of default under Section 10.

4. 4. Interest

Interest accrues on the unpaid principal balance at a simple annual rate of [INTEREST RATE] percent, calculated on the basis of a [DAY COUNT CONVENTION, e.g., 365-day year] from the disbursement date until the Loan is paid in full. [ALTERNATIVE FOR AN INTEREST-FREE LOAN: The Loan is made without interest. The parties acknowledge that a loan made at no interest or at a rate below the applicable federal rate published by the Internal Revenue Service may result in imputed interest that is treated as taxable income to the Employee and reported accordingly.] In no event will the interest rate exceed the maximum rate permitted by applicable law, and if any rate stated here exceeds that maximum, the rate is automatically reduced to the maximum permitted rate. Interest, where charged, is applied to each payment before principal.

5. 5. Repayment Schedule

The Employee will repay the Loan in [NUMBER OF INSTALLMENTS] installments of [INSTALLMENT AMOUNT] each, beginning on [FIRST PAYMENT DATE] and continuing [PAYMENT FREQUENCY, e.g., each regular pay period / on the first day of each month] until the Loan is paid in full, with a final payment of any remaining balance due on [MATURITY DATE]. The total amount to be repaid, including interest where applicable, is approximately [TOTAL REPAYMENT AMOUNT]. An amortization schedule showing the allocation of each payment between interest and principal is attached as Exhibit B. Payments are applied first to accrued interest, then to principal. The Employer will provide the Employee with a statement of the outstanding balance on request and at least [STATEMENT FREQUENCY, e.g., annually].

6. 6. Payroll Deduction Authorization

The Employee voluntarily authorizes the Employer to deduct [INSTALLMENT AMOUNT] from each of the Employee's regular paychecks, beginning with the paycheck dated [FIRST DEDUCTION PAY DATE], and to apply those amounts to repayment of the Loan. This authorization is given knowingly and voluntarily, is specific as to amount and purpose, and is not a condition of employment or of continued employment. The Employee may revoke this authorization at any time by giving written notice to [PAYROLL CONTACT NAME] at [PAYROLL CONTACT EMAIL], in which case the outstanding balance remains fully due and the Employee will pay it directly under Section 5. No deduction will be made that reduces the Employee's pay below the applicable minimum wage or that exceeds any limit imposed by applicable federal, state, or local law, and where a scheduled deduction would exceed such a limit, the deduction will be reduced accordingly and the shortfall will be paid directly by the Employee. Deductions from a final paycheck will be made only to the extent expressly permitted by the law of [EMPLOYEE WORK STATE].

7. 7. Prepayment

The Employee may prepay all or any part of the outstanding balance at any time without penalty. Prepayments are applied first to accrued and unpaid interest and then to the outstanding principal, and a partial prepayment does not change the due date or the amount of the remaining scheduled installments unless the parties agree in writing to a revised schedule. The Employee should send prepayments to [PREPAYMENT REMITTANCE ADDRESS OR METHOD] and identify them as a Loan prepayment. On payment in full, the Employer will provide the Employee with a written confirmation that the Loan has been satisfied within [PAYOFF CONFIRMATION PERIOD, e.g., 15 days] of the final payment.

8. 8. Acceleration on Separation of Employment

If the Employee's employment with the Employer ends for any reason, whether by resignation, termination with or without cause, layoff, or otherwise, the entire unpaid balance of the Loan, together with any accrued interest, becomes due and payable in accordance with this section. The Employee will pay the outstanding balance in full within [POST-SEPARATION PAYMENT PERIOD, e.g., 30 days] after the last day of employment, or on such alternative repayment schedule as the parties agree in writing before or promptly after the separation date. The Employer may apply amounts owed to the Employee at separation toward the balance only to the extent permitted by applicable law and only where a separate written authorization covering the final paycheck has been obtained where the law requires one. Any balance remaining after that application stays a personal debt of the Employee and is collectible as described in Section 10.

9. 9. Loan Forgiveness (Optional)

This section applies only if the parties select it. [ ] Not applicable — the Loan is not subject to forgiveness. [ ] The Employer will forgive [FORGIVENESS AMOUNT OR PERCENTAGE] of the outstanding balance for each [FORGIVENESS INTERVAL, e.g., full 12 months] of continuous employment completed after the disbursement date, with the entire balance forgiven on [FULL FORGIVENESS DATE] if the Employee remains continuously employed through that date. Forgiveness does not occur if the Employee resigns or is terminated for cause before the applicable date. The Employee acknowledges that any amount forgiven is generally treated as taxable compensation, that applicable income and employment taxes will be withheld from other wages or paid by the Employee, and that the forgiven amount will be reported on the Employee's wage statement for the year in which forgiveness occurs.

10. 10. Default and Remedies

Each of the following is an event of default: failure to make any payment when due and not cured within [CURE PERIOD, e.g., 10 days] after written notice; failure to pay the balance within the period required under Section 8 following separation; any material misrepresentation by the Employee in this Agreement; or the Employee filing for bankruptcy or becoming subject to an assignment for the benefit of creditors. On an event of default, the Employer may declare the entire outstanding balance immediately due and payable, may charge interest on the overdue amount at [DEFAULT INTEREST RATE] or the maximum rate permitted by law, whichever is less, and may pursue any remedy available at law, including collection and suit. The Employee will pay the Employer's reasonable costs of collection, including attorney fees, to the extent permitted by applicable law. The Employer's decision not to enforce a remedy on one occasion does not waive it later.

11. 11. No Effect on Employment Status

This Agreement is a financial arrangement and does not create a contract of employment, alter the at-will nature of the employment relationship where applicable, or entitle the Employee to employment for any period. The Employer may end the employment relationship on the same terms as it otherwise could, and the Employee may resign at any time, in each case subject to applicable law, and the repayment obligations in this Agreement continue regardless. The Employee acknowledges that entering into this Agreement was voluntary, that the Employee was not required to accept the Loan as a condition of employment, promotion, or continued employment, and that declining the Loan would not have resulted in any adverse action.

12. 12. Tax Treatment and Reporting

The parties intend that the Loan be treated as a bona fide loan and not as compensation, and both parties will report it consistently with that treatment. The Employee is responsible for any tax consequences arising from the Loan, including any imputed interest resulting from an interest-free or below-market rate loan and any income arising from forgiveness of all or part of the balance. The Employer will withhold and report amounts as required by law, including on any forgiven amount treated as wages. Neither party is providing tax advice to the other, and the Employee is encouraged to consult a qualified tax advisor before signing. The Employer will issue any required information return or wage statement reflecting amounts treated as income.

13. 13. Notices, Assignment, and General Provisions

Notices under this Agreement must be in writing and are effective when delivered by hand, by certified mail to the addresses in Section 1, or by email to [EMPLOYER NOTICE EMAIL] and [EMPLOYEE NOTICE EMAIL] with confirmation of receipt. The Employee will notify the Employer within [ADDRESS CHANGE NOTICE PERIOD, e.g., 10 days] of any change of address. The Employee may not assign or transfer any obligation under this Agreement; the Employer may assign it to a successor in connection with a merger or sale of substantially all of its assets. This Agreement, with its exhibits, is the entire agreement between the parties regarding the Loan and supersedes any prior understanding or informal advance, which, if any is outstanding, is [INCLUDED IN THE PRINCIPAL ABOVE / SEPARATELY DOCUMENTED]. Amendments must be in writing and signed by both parties. If any provision is unenforceable, the remainder stays in effect and that provision is narrowed only as far as necessary.

14. 14. Governing Law, Dispute Resolution, and Signatures

This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and the parties consent to jurisdiction and venue in the courts located in [VENUE COUNTY AND STATE].

The parties will attempt to resolve any dispute informally before filing suit. By signing below, each party confirms that it has read this Agreement, understands it, and agrees to be bound by it, and the Employee confirms that the payroll deduction authorization in Section 6 is given voluntarily. EMPLOYER: [COMPANY NAME]. Signature: ______________________. Printed name: [EMPLOYER SIGNER NAME]. Title: [TITLE]. Date: [DATE]. EMPLOYEE: Signature: ______________________. Printed name: [EMPLOYEE FULL NAME]. Date: [DATE]. Witness or notary, where required: ______________________. Date: [DATE]. This Agreement may be signed in counterparts, and electronic signatures have the same effect as originals.

15. Disclaimer

This template is provided for general informational purposes only and is not legal advice. Employee loans sit at the intersection of lending law, wage and hour law, and tax law, and each layer varies by jurisdiction. State rules on payroll deductions differ substantially: some states require a separate written authorization for each deduction, some prohibit deductions from final paychecks entirely, some cap the amount that may be withheld from any single check, and federal and state minimum wage floors apply regardless of what the employee has authorized. Interest rates are subject to usury limits, below-market loans can create imputed interest, and forgiven balances are generally taxable wages. Have counsel licensed in the employee's work state review this agreement and your deduction practices before using it. Use of this template does not create an attorney-client relationship with ScanContract.