IOU FORM

1. 1. IOU

IOU (Acknowledgment of Debt). Date: [DATE]. Amount: [AMOUNT IN NUMBERS] ([AMOUNT IN WORDS] dollars). I, [DEBTOR NAME], residing at [DEBTOR ADDRESS], acknowledge that I owe [CREDITOR NAME], residing at [CREDITOR ADDRESS], the amount stated above. This document is written evidence of that debt and of my agreement to repay it on the terms set out below.

2. 2. Reason for the Debt

This amount is owed because of the following: [REASON FOR THE DEBT, e.g., cash lent on [DATE], payment made on my behalf to [THIRD PARTY], my share of a shared expense, reimbursement for goods purchased]. The funds or value were received by me on [RECEIPT DATE] by [METHOD, e.g., cash, bank transfer, direct payment to a third party]. I confirm that this amount is a debt and not a gift, and that no part of it has already been repaid except as noted here: [PRIOR PAYMENTS, if any].

3. 3. Repayment Date

I will repay the full amount on or before [REPAYMENT DATE]. If a payment schedule is used instead of a single payment, the schedule in Section 4 controls and the date above is the final payoff date. If no date is filled in, the amount is payable within [DEMAND PERIOD, e.g., 15 days] after the creditor asks for it in writing. Payment will be made by [PAYMENT METHOD, e.g., bank transfer, cash with receipt, check] to [PAYMENT DETAILS], and is considered made when the funds are actually received.

4. 4. Payment Schedule (optional)

If the debt is being repaid over time, I will pay [INSTALLMENT AMOUNT] every [FREQUENCY, e.g., week, two weeks, month], beginning on [FIRST PAYMENT DATE], until the full amount is repaid. Each payment will be recorded by both parties, and either party may request a running total of what has been paid and what remains. Payments are applied to the balance in the order received. Paying more than the scheduled amount, or paying the balance in full early, is allowed at any time and reduces the total owed.

5. 5. Interest

Select one. No interest: this debt does not carry interest, and only the amount stated in Section 1 is payable. Interest: this debt accrues simple interest at [INTEREST RATE] percent per year from [INTEREST START DATE] until paid in full, and the total payable is the principal plus that interest. Any interest charged will not exceed the maximum rate permitted by law in the State of [STATE], and any excess will be applied to the principal or refunded. If nothing is selected, this IOU is interest-free.

6. 6. Late Repayment

If the amount is not repaid by the date in Section 3, or if a scheduled installment is more than [GRACE PERIOD, e.g., ten days] late, the creditor may ask for the entire remaining balance immediately. A late charge of [LATE FEE, e.g., none] applies, to the extent permitted by law. Accepting a late or partial payment does not mean the creditor gives up the right to be paid in full or to insist on the remaining dates. If I expect to be late, I will tell the creditor in writing before the due date.

7. 7. Collection

If this debt is not repaid and the creditor has to take steps to collect it, I will pay reasonable collection costs and court filing fees to the extent allowed by law. The creditor may bring a claim in small claims court if the amount is within the limit for that court in [COUNTY AND STATE], or in any other court of competent jurisdiction. Before filing any claim, the creditor will send me one written reminder at the address or email listed in this document and allow at least [REMINDER PERIOD, e.g., 14 days] to respond.

8. 8. No Other Conditions

My obligation to repay this amount does not depend on any other event, and I am not relying on any promise that is not written in this document. This IOU replaces any earlier verbal statement about the same money. Any change to the amount, the date, or the schedule must be written down and signed or clearly confirmed in writing by both of us; a text message or email counts only if both parties confirm it. If any part of this document cannot be enforced, the rest still applies.

9. 9. Receipt and Release on Payment

When the full amount has been repaid, the creditor will sign the acknowledgment below, return this document to me or provide a written confirmation that the debt is paid, and make no further claim relating to it. PAID IN FULL: I, [CREDITOR NAME], confirm that the amount above has been repaid in full as of [PAYOFF DATE]. Creditor signature: ______________________. Date: [DATE]. Both parties should keep a copy of this page after payoff.

10. 10. Governing Law

This IOU is governed by the laws of the State of [STATE], and any claim relating to it will be brought in the courts located in [COUNTY AND STATE]. Both parties agree to try to resolve any disagreement directly before filing anything. This document binds our heirs and personal representatives. If the debtor dies before repayment, the remaining balance becomes a claim against the estate of the debtor unless the creditor waives it in writing.

11. 11. Signatures

I have read this document and sign it voluntarily. DEBTOR: [DEBTOR NAME]. Signature: ______________________. Date: [DATE]. Phone: [DEBTOR PHONE]. Email: [DEBTOR EMAIL]. CREDITOR (acknowledging receipt of this IOU): [CREDITOR NAME]. Signature: ______________________. Date: [DATE]. WITNESS (optional but useful): Signature: ______________________. Printed Name: [WITNESS NAME]. Date: [DATE].

12. Disclaimer

This template is provided for general informational purposes only and is not legal advice. An IOU is a simpler instrument than a promissory note and may be treated differently by a court, particularly on questions of interest, enforceability, and the applicable statute of limitations, all of which vary by state. For larger amounts, a promissory note or full loan agreement offers stronger protection. Review and adapt this document for your own situation and consult a licensed attorney before relying on it. Use of this template does not create an attorney-client relationship with ScanContract.