# PAYMENT PLAN AGREEMENT

## 1. 1. Parties

This Payment Plan Agreement (the "Agreement") is entered into on [EFFECTIVE DATE] between [CREDITOR NAME], located at [CREDITOR ADDRESS] (the "Creditor"), and [DEBTOR NAME], located at [DEBTOR ADDRESS] (the "Debtor"). The Creditor and the Debtor are each a "Party" and together the "Parties." Contact information for notices and billing is [CREDITOR CONTACT, PHONE, EMAIL] and [DEBTOR CONTACT, PHONE, EMAIL]. Each Party represents that the person signing below has the authority to do so.

## 2. 2. Acknowledgment of the Balance

The Debtor acknowledges owing the Creditor the total sum of [TOTAL BALANCE] as of [BALANCE DATE] (the "Balance"), arising from [DESCRIPTION OF DEBT, e.g., invoice numbers, services rendered, goods delivered, account number, settlement of a dispute]. The Debtor confirms that the Balance is correct, is currently due, and is not subject to any dispute, offset, or counterclaim, except as stated here: [DISPUTED ITEMS, if any]. Supporting statements or invoices are attached as Exhibit A. This Agreement restructures the timing of payment only and does not create new credit, change the underlying obligation, or waive any right of the Creditor except as expressly stated below.

## 3. 3. Down Payment and Installment Schedule

The Debtor will pay a down payment of [DOWN PAYMENT AMOUNT] on or before [DOWN PAYMENT DATE], followed by [NUMBER OF INSTALLMENTS] [FREQUENCY, e.g., monthly] installments of [INSTALLMENT AMOUNT] beginning on [FIRST INSTALLMENT DATE] and due on the [DAY OF PERIOD] of each period thereafter. The final installment is due on [FINAL PAYMENT DATE], at which point the Balance and any accrued charges must be paid in full. If a due date falls on a weekend or holiday, payment is due on the next business day. A complete payment schedule is attached as Exhibit B, and both Parties will keep a record of each payment made and received.

## 4. 4. Interest or Service Charge

Select one. (a) No interest: the Balance does not accrue interest while the Debtor performs under this Agreement, and the total payable equals the Balance. (b) Interest: the unpaid Balance accrues interest at [INTEREST RATE] percent per year, simple interest, from [INTEREST START DATE], and each installment is applied first to accrued interest and then to principal. A one-time administrative or plan setup fee of [SETUP FEE] applies where stated. In no event will interest and charges exceed the maximum permitted by applicable law, and any excess collected will be applied to the Balance or refunded. If the plan is completed on time, the Creditor will waive [WAIVED AMOUNT, if any] of accrued interest or fees as an incentive for full performance.

## 5. 5. Payment Method and Automatic Payment Authorization

Payments will be made by [PAYMENT METHOD, e.g., ACH debit, card on file, bank transfer, check] to [PAYMENT DETAILS]. Optional autopay authorization: the Debtor authorizes the Creditor to charge or debit the account ending in [LAST FOUR DIGITS] at [FINANCIAL INSTITUTION] for each installment on its due date until the Balance is paid in full. The Debtor may revoke this authorization by giving at least [REVOCATION NOTICE, e.g., three business days] written notice before a scheduled charge, in which case the Debtor remains responsible for making each payment by another method on time. The Debtor will notify the Creditor promptly if the account or card on file changes or expires. A payment returned or declined is subject to the fee in Section 6.

## 6. 6. Late Payments, Returned Payments, and Grace Period

A payment is late if it is not received within [GRACE PERIOD, e.g., five days] after its due date. A late payment is subject to a charge of [LATE FEE, e.g., $25 or 5 percent of the installment, whichever is less], to the extent permitted by applicable law. A payment returned for insufficient funds, a closed account, or a declined card is subject to a fee of [RETURNED PAYMENT FEE], and the Creditor may require future payments in guaranteed funds. The Creditor will notify the Debtor in writing of any missed or returned payment within [NOTICE PERIOD, e.g., five business days]. Accepting a late payment does not waive the right to require timely payment of every remaining installment.

## 7. 7. Prepayment and Early Settlement

The Debtor may pay more than the scheduled installment or pay the Balance in full at any time without penalty. Extra amounts are applied to the outstanding principal Balance and, unless the Parties agree in writing, do not change the amount or due date of the remaining installments. If the Debtor wishes to settle the Balance early for less than the full amount, any such reduction is effective only in a written agreement signed by both Parties that states the settlement amount and the date it must be paid. The Creditor will provide a written payoff figure within [PAYOFF QUOTE PERIOD, e.g., five business days] of a request.

## 8. 8. Default and Reinstatement of the Full Balance

The Debtor is in default if any installment is more than [DEFAULT TRIGGER, e.g., 15 days] past due, if any payment is returned and not replaced within [REPLACEMENT PERIOD, e.g., seven days], if the Debtor provided materially false information in connection with this Agreement, or if the Debtor becomes subject to an insolvency or bankruptcy proceeding. On default that is not cured within [CURE PERIOD, e.g., ten days] after written notice, the entire remaining Balance becomes immediately due and payable, any interest or fees that were waived under Section 4 are reinstated, and the Creditor may resume all collection activity and pursue any remedy available at law. The Creditor may, but is not required, to offer a revised schedule instead of declaring default.

## 9. 9. Forbearance and Suspension of Collection

While the Debtor is current under this Agreement, the Creditor will not refer the account to a collection agency, file suit on the underlying debt, or report the account as newly delinquent to any consumer reporting agency, except as required by law or by the reporting policies of the Creditor. Any statute of limitations applicable to the underlying debt is tolled, to the extent permitted by law, for the period during which the Debtor is performing under this Agreement. If a judgment has already been entered, the Creditor will refrain from execution while payments are current and will file a satisfaction of judgment within [SATISFACTION PERIOD, e.g., 30 days] after the Balance is paid in full. Nothing in this Section limits the rights of the Creditor after an uncured default.

## 10. 10. Security and Guaranty

Optional. Security: the Debtor grants the Creditor a security interest in [COLLATERAL DESCRIPTION] until the Balance is paid in full, and authorizes any filing needed to perfect it. Confession of judgment or stipulated judgment: if permitted in the governing state, the Parties may sign a separate stipulation for entry of judgment in the amount of the remaining Balance, to be filed only if the Debtor defaults and does not cure; the Debtor acknowledges the significance of that document and has had the opportunity to seek independent advice. Guaranty: [GUARANTOR NAME] personally guarantees the performance of the Debtor under this Agreement and is jointly and severally liable for the Balance. If none of these options apply, this Agreement is unsecured and unguaranteed.

## 11. 11. Costs of Collection and General Provisions

If the Creditor incurs cost to enforce this Agreement after an uncured default, the Debtor will pay reasonable collection costs and attorney fees to the extent permitted by applicable law, and the prevailing Party in any proceeding may recover its reasonable fees and costs. This Agreement is governed by the laws of the State of [GOVERNING STATE], with venue in the courts located in [VENUE COUNTY AND STATE]. This Agreement is the complete understanding between the Parties about the Balance and its repayment and replaces all prior payment arrangements for the same debt. Any change must be in writing and signed by both Parties. If any provision is unenforceable, the remainder stays in effect. This Agreement may be signed in counterparts, and electronic signatures have the same effect as originals.

## 12. 12. Signatures

Each Party has read this Agreement, understands it, and agrees to be bound by it as of the Effective Date. CREDITOR: [CREDITOR NAME]. Signature: ______________________. Printed Name: [CREDITOR SIGNER NAME]. Title: [TITLE]. Date: [DATE]. DEBTOR: [DEBTOR NAME]. Signature: ______________________. Printed Name: [DEBTOR SIGNER NAME]. Date: [DATE]. GUARANTOR (if any): [GUARANTOR NAME]. Signature: ______________________. Date: [DATE]. Autopay authorization initialed by Debtor: ______.

## 13. Disclaimer

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