PERSONAL LOAN AGREEMENT

1. 1. Parties

This Personal Loan Agreement (the "Agreement") is made on [EFFECTIVE DATE] between [LENDER NAME], residing at [LENDER ADDRESS], phone [LENDER PHONE], email [LENDER EMAIL] (the "Lender"), and [BORROWER NAME], residing at [BORROWER ADDRESS], phone [BORROWER PHONE], email [BORROWER EMAIL] (the "Borrower"). The Lender and the Borrower are each a "Party" and together the "Parties." Each Party confirms being at least eighteen years old and legally able to enter into this Agreement. Notices are effective when delivered to the addresses or email addresses listed above.

2. 2. Loan Amount and Purpose

The Lender agrees to lend the Borrower the sum of [LOAN AMOUNT] (the "Loan"). The Loan will be delivered to the Borrower on [FUNDING DATE] by [TRANSFER METHOD, e.g., bank transfer, check, cash with signed receipt]. The Borrower acknowledges receipt of the funds by signing this Agreement or by signing a separate receipt on the funding date. The Borrower intends to use the Loan for [LOAN PURPOSE, e.g., vehicle repair, medical expense, tuition, moving costs], although the obligation to repay does not depend on that use. Both Parties agree that this transaction is a loan and not a gift, an investment, or a contribution of capital.

3. 3. Interest

Interest accrues on the unpaid balance at [INTEREST RATE] percent per year, simple interest, calculated from [INTEREST START DATE] on the basis of a 365-day year. If the Parties intend an interest-free loan, write "0" above; in that case only the principal is repayable. In no event will the interest charged exceed the maximum lawful rate in the State of [GOVERNING STATE], and any excess amount received will be applied to principal or returned to the Borrower. The Parties acknowledge that an interest-free or below-market loan above certain amounts may have tax reporting consequences for the Lender, and each Party is responsible for its own tax treatment of this Loan.

4. 4. Repayment Schedule

The Borrower will repay the Loan in [NUMBER OF PAYMENTS] equal [FREQUENCY, e.g., monthly] payments of [PAYMENT AMOUNT], due on the [DAY OF MONTH] day of each period, beginning on [FIRST PAYMENT DATE]. The final payment is due on [FINAL PAYMENT DATE], at which point all remaining principal, interest, and charges are payable in full. Payments will be made by [PAYMENT METHOD, e.g., bank transfer to the account listed below, check mailed to the Lender address] and are considered received on the date the funds reach the Lender. Each payment is applied first to any late charges, then to accrued interest, and then to principal. The Lender will confirm receipt of each payment in writing or by text or email if the Borrower requests it.

5. 5. Prepayment

The Borrower may repay all or part of the Loan early at any time without penalty. Interest is charged only through the date the funds are received, so paying early lowers the total cost of the Loan. A partial early payment reduces the principal balance and, unless the Lender agrees in writing to recalculate the schedule, does not change the due date or amount of the remaining scheduled payments. If the Borrower wishes to pay the Loan off entirely, the Lender will provide a written payoff amount within [PAYOFF QUOTE PERIOD, e.g., five days] of the request.

6. 6. Late Payments and Returned Payments

A payment is late if it is not received within [GRACE PERIOD, e.g., seven days] after its due date. Late payments are subject to a charge of [LATE FEE, e.g., $25 or 5 percent of the payment, whichever is less], to the extent permitted by applicable law. A check or transfer that is returned unpaid is subject to a fee of [RETURNED PAYMENT FEE], and the Lender may require that later payments be made in guaranteed funds. Charging or accepting a late fee does not mean the Lender approves of late payment or gives up the right to insist on the schedule. If the Borrower expects to miss a payment, the Borrower will notify the Lender in writing before the due date and the Parties may agree in writing to a revised schedule.

7. 7. Default

The Borrower is in default if: (a) any payment remains unpaid more than [DEFAULT TRIGGER, e.g., 15 days] after written notice that it is overdue; (b) the Borrower gives the Lender materially false information about income, assets, or existing debts in connection with this Loan; (c) the Borrower files for bankruptcy or has an insolvency proceeding filed against it; or (d) the Borrower dies or becomes permanently unable to manage financial affairs, in which case the balance becomes a claim against the estate of the Borrower. The Lender will send written notice of default to the address or email listed in Section 1 before pursuing any remedy that requires notice under applicable law.

8. 8. Acceleration and Remedies

If a default is not cured within [CURE PERIOD, e.g., 15 days] after written notice, the Lender may declare the entire unpaid balance of principal and accrued interest immediately due and payable. After acceleration, interest continues to accrue on the full balance at [DEFAULT RATE] percent per year or the maximum lawful rate, whichever is less. The Lender may then pursue any remedy allowed by law, including filing a claim in small claims court where the amount is within the local limit or in another court of competent jurisdiction. The Borrower will pay the reasonable costs of collection, including court filing fees and attorney fees, to the extent allowed by law, and the prevailing Party in any action may recover its reasonable fees and costs.

9. 9. Co-Signer or Guarantor

Optional. If a co-signer signs this Agreement, the co-signer is jointly and severally liable with the Borrower for the entire amount owed, meaning the Lender may collect the full balance from the co-signer without first pursuing the Borrower. CO-SIGNER: [CO-SIGNER NAME], residing at [CO-SIGNER ADDRESS], phone [CO-SIGNER PHONE]. The co-signer waives notice of any change in the payment schedule agreed between the Lender and the Borrower, except that any increase in principal or interest rate requires the written consent of the co-signer. The co-signer is entitled to receive copies of any default notice sent to the Borrower. If no co-signer signs, this Section does not apply.

10. 10. Security

Select one. Unsecured: this Loan is unsecured, and the Lender relies solely on the personal promise of the Borrower to repay. Secured: the Borrower pledges the following property as collateral for the Loan: [COLLATERAL DESCRIPTION, including make, model, and serial or VIN number] and agrees not to sell, give away, or pledge that property to anyone else until the Loan is repaid in full. If the Loan is secured, the Borrower will sign any additional document, including a security agreement or lien application, needed to record the interest of the Lender, and the Lender will release the lien promptly after payoff. The Borrower will keep any collateral insured and in good condition while the Loan is outstanding.

11. 11. Changes, Assignment, and Notices

Any change to the amount, rate, or payment schedule must be in writing and signed by both Parties; a text message or email counts only if both Parties clearly confirm the change in writing. The Lender may transfer the right to receive payments under this Agreement to another person by giving the Borrower written notice, after which payments are made to the transferee. The Borrower may not transfer the obligation to repay without the written consent of the Lender. Each Party will give the other written notice of any change of address, phone number, or email within [ADDRESS CHANGE PERIOD, e.g., ten days] of the change. Notices are effective on delivery, or on the third day after mailing to the last address provided.

12. 12. Governing Law and Dispute Resolution

This Agreement is governed by the laws of the State of [GOVERNING STATE]. Before filing any claim, the Parties will attempt to resolve the matter directly for at least [NEGOTIATION PERIOD, e.g., 21 days] and, if that fails, will consider mediation in [MEDIATION LOCATION]. Any claim that is not resolved may be brought in the courts located in [VENUE COUNTY AND STATE], including small claims court if the amount qualifies. Each Party consents to jurisdiction in that location. This Section does not prevent either Party from seeking urgent relief needed to preserve collateral or prevent immediate harm.

13. 13. Entire Agreement and General Provisions

This Agreement is the complete understanding between the Parties about this Loan and replaces any earlier conversation, text message, or promise about the same money. If any provision is found unenforceable, the remaining provisions stay in effect and the unenforceable provision will be limited only as much as necessary, particularly any interest or fee that would exceed a lawful maximum. Failure to enforce a term on one occasion does not waive the right to enforce it later. This Agreement binds the heirs, personal representatives, and permitted assigns of both Parties. It may be signed in counterparts, and electronic or scanned signatures have the same effect as originals.

14. 14. Signatures

Each Party has read this Agreement, understands it, and signs it voluntarily. LENDER: [LENDER NAME]. Signature: _______________________. Date: [DATE]. BORROWER: [BORROWER NAME]. Signature: _______________________. Date: [DATE]. CO-SIGNER (if applicable): [CO-SIGNER NAME]. Signature: _______________________. Date: [DATE]. WITNESS OR NOTARY (recommended): Signature: _______________________. Printed Name: [WITNESS NAME]. Date: [DATE]. State of [STATE], County of [COUNTY], subscribed and sworn before me on [DATE] by the persons named above.

15. Disclaimer

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