**Draft\_Loan\_Agreement\_-\_Friends\_\_\_Family**

**Loan Agreement**

I, (insert name of borrower), have borrowed (insert amount borrowed) from (name of lender) for (insert details about the purpose of loan).

The loan will start on (insert starting date of loan), with a fixed interest rate of (insert percentage, i.e. 5%) per year. The loan will be repaid over (insert number of years or months), finishing on (insert end date).

**Repayment Terms**

Fixed repayment: (insert amount) Monthly/Weekly/Fortnightly, until the loan is repaid

Security: There is no security on the loan

Missed payment: There is no penalty for one missed payment, but a second or subsequent missed payment will attract a (insert percentage, i.e. 5%) charge.

Signed:

(insert your name) – Lender

(insert date)

(insert name of borrower) - Borrower

(insert date)

Example: Loan Agreement

I, **Jack Wolfskin**, have borrowed **$5,000** from **Mark Spencer**, to pay for **urgent repairs on a Subaru Legacy vehicle**.

The loan will start on **30 April 2019**, with a fixed interest rate of **0%** per year. The loan will be repaid over **10 months**, finishing on **28 February 2020**.

**Repayment Terms**

Fixed repayment: **$500 Monthly**, until the loan is repaid

Security: There is no security on the loan

Missed payment: There is no penalty for one missed payment, but a second or subsequent missed payment will attract a **5%** charge.

**Signed:**



**Mark Spencer – Lender**

**29 April 2019**

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**Jack Wolfskin - Borrower**

**29 April 2019**