*FREE IOU SAMPLE*

|  |
| --- |
|  |

Principal amount: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                   DATE, \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

FOR VALUE RECEIVED, I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Borrower) promise to pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_ (Lender) the sum of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars ($\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_), and interest at the yearly rate of \_\_\_\_\_% on the unpaid balance as specified below.

Repayment shall be made in \_\_\_\_\_\_\_\_\_\_ weekly/monthly installments, consisting of $\_\_\_\_\_\_per installment on the \_\_\_\_ day of each week/month and continue through for \_\_\_\_\_\_ week/months, or until the principal is paid in full.

OR, Borrower will pay one lump payment in lawful money of the United States on: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_.

If the Borrower fails to make an installment payment when due or fails to comply with any other term of this promissory note, the loan will be considered in default. A late penalty charge of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars per (month/day) will be assessed until the account is brought current inclusive of the late charges, interest and applicable fees.

Borrower agrees that until the principal and interest owed under this note are paid in full, this note will be secured by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (describe property, such as a car or a house.)

Payments will be applied first to interest and then to principal.

This note may be prepaid by the Borrower at any time in whole or in part without premium or penalty.

In the event of the Borrower's death, the unpaid indebtedness remaining on the note shall be canceled.

The Borrower must promptly inform the Lender of any change in name or address.

If the Lender prevails in a lawsuit to collect on this note, Borrower will pay Lender's court costs, collection agency costs, and attorney's fees in an amount the court finds to be reasonable.

IN WITNESS WHEREOF, I set my hand under seal this \_\_\_\_th day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ and I acknowledge receipt of a completed copy of this instrument.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Borrower’s Signature  
Permanent Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Social Security Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Driver's Licence Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_