

## Debt Agreement

Party A (hereafter known as "Lender") has given to Party B (hereafter known as "Borrower") the sum of \$\_\_\_\_\_ on \_\_\_\_\_. The parties agree that this sum is a debt owed by Borrower to Lender.

Interest shall accrue on the unpaid balance of the loan at the rate of \_\_\_\_\_ percent per annum, compounded monthly. Accrued interest shall be added to the unpaid balance.

The Borrower shall make payments to the Lender on the \_\_\_\_th day of each month. Each payment shall be no less than \$\_\_\_\_\_.00.

If a payment is late, a penalty of \$Y shall be added to the unpaid balance of the loan.

If a check tendered by Borrower is returned or declined a charge of \$Z shall be added to the unpaid balance of the loan, and all future payments shall be accepted only in guaranteed funds (cash, money order, certified check).

The entire balance due shall be paid in full no later than \_\_\_\_\_.

If the entire balance due is not paid in full by \_\_\_\_\_, or if Borrower fails to make a payment for more than 30 days after its due date, then the Lender shall be entitled to demand the entire balance due immediately and take all legal actions necessary to collect the debt.

Any and all costs of collecting the debt shall be added to the amount owed by the Borrower.

If the debt goes to collection the interest rate shall increase to \_\_\_\_\_ percent per annum, compounded monthly, and a penalty of \$\_\_\_\_\_ shall be added to the balance due on the \_\_\_\_th day of each month until the entire debt is paid in full.

In witness to their acceptance and agreement to all of the terms of this debt agreement, the Lender and Borrower affix their signatures below.

\_\_\_\_\_  
Borrower's Signature, date

\_\_\_\_\_  
Lender's Signature, date

\_\_\_\_\_  
Borrower's Printed Name

\_\_\_\_\_  
Lender's printed name

\_\_\_\_\_  
Borrower's physical address of residence

\_\_\_\_\_  
Lender's mailing address for payments