

# LOAN AGREEMENT BETWEEN FRIENDS

Location: \_\_\_\_\_ Date: \_\_\_\_\_

## Lender Information:

Full Name: \_\_\_\_\_

Government ID / Driver License No.: \_\_\_\_\_

Address: \_\_\_\_\_

Phone/Email: \_\_\_\_\_

## Borrower Information:

Full Name: \_\_\_\_\_

Government ID / Driver License No.: \_\_\_\_\_

Address: \_\_\_\_\_

Phone/Email: \_\_\_\_\_

## Loan Details:

Loan Amount (USD): \_\_\_\_\_

Interest Rate (Annual %): \_\_\_\_\_

Repayment Schedule: \_\_\_\_\_

Loan Term: \_\_\_\_\_

## Clause 1 – Loan and Disbursement

Lender agrees to loan the Borrower the principal sum indicated above, disbursed in full or installments as mutually agreed. The Borrower accepts the loan and promises to repay under the terms of this Agreement.

## Clause 2 – Interest

Interest on the unpaid principal balance will accrue at the stated annual rate, calculated on a 365-day year basis, beginning on the date of disbursement and continuing until the Loan is paid in full.

## Clause 3 – Repayment

The Borrower shall repay the Loan in accordance with the repayment schedule above. Payments shall be made by cash, check, electronic transfer, or any other method agreed upon by the parties.

## Clause 4 – Prepayment

The Borrower may prepay all or any part of the Loan at any time without penalty. Prepayments shall be applied first to accrued interest and then to principal.

## Clause 5 – Default

If the Borrower fails to make any payment within \_\_\_\_ days of its due date, the Borrower shall be in default. In such event, the Lender may declare the entire unpaid principal and accrued interest immediately due and payable.

## Clause 6 – Remedies Upon Default

Upon default, the Lender has the right to pursue all remedies available by law to collect the Loan, including but not limited to initiation of legal proceedings. The Borrower agrees to pay all reasonable attorney's fees and costs incurred

by the Lender.

#### **Clause 7 – Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without regard to its conflict of law principles.

#### **Clause 8 – No Waiver**

No delay or failure by the Lender to exercise any right or remedy shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise.

#### **Clause 9 – Amendments**

Any modification or amendment to this Agreement must be in writing and signed by both parties to be effective.

#### **Clause 10 – Entire Agreement**

This Agreement constitutes the entire agreement between the parties relating to the Loan and supersedes all prior agreements, understandings, or representations.

#### **Clause 11 – Severability**

If any provision of this Agreement is found invalid or unenforceable, the remaining provisions shall remain in full force and effect.

#### **Clause 12 – Binding Effect**

This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors, and assigns.

#### **Clause 13 – Notices**

All notices required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, sent by nationally recognized overnight courier, certified mail return receipt requested, or electronic means with confirmation of transmission.

#### **Clause 14 – No Partnership**

Nothing in this Agreement shall be construed as creating a partnership, joint venture, or other business association between the parties.

#### **Clause 15 – Headings**

Section headings are for convenience only and shall not affect the interpretation of this Agreement.

#### **Clause 16 – Counterparts; Electronic Signatures**

This Agreement may be executed in counterparts, each of which shall be deemed an original. Electronic signatures shall have the same force and effect as original signatures.

#### **Clause 17 – Representations and Warranties**

Each party represents that it has full power and authority to enter into this Agreement and that the execution and performance do not violate any other agreement or law.

#### **Clause 18 – No Assignment**

Neither party may assign or transfer any rights or obligations under this Agreement without prior written consent of the other party.

#### **Clause 19 – Confidentiality**

The terms of this Agreement shall be kept confidential by both parties except as required by law or as necessary to enforce rights hereunder.

**Clause 20 – Dispute Resolution**

Any dispute arising out of or relating to this Agreement shall be resolved first through good faith negotiation between the parties. If unresolved, the dispute shall be submitted to mediation, and if still unresolved, may be submitted to binding arbitration in the State of \_\_\_\_\_ in accordance with the rules of the American Arbitration Association.

**LENDER'S SIGNATURE**

**BORROWER'S SIGNATURE**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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