

# STANDARD PROMISSORY NOTE

## DATE OF VALIDITY:

This Promissory Note, referred to hereinafter as the "the Note" commences as of \_\_\_\_/\_\_\_\_/20\_\_\_\_

## PARTIES:

This Note hereby binds in agreement the following named parties:

- **THE BORROWER:** \_\_\_\_\_ (name of signee), with the registered address of \_\_\_\_\_, in the town of \_\_\_\_\_ in the state of \_\_\_\_\_, referred to hereinafter as the "Borrower".
- **THE LENDER:** \_\_\_\_\_ (name of signee), with the registered address of \_\_\_\_\_, in the town of \_\_\_\_\_ in the state of \_\_\_\_\_, referred to hereinafter as "the Lender".

## LOANED AMOUNT:

- **PRINCIPAL SUM:** The Borrower promises to pay the Lender the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) hereinafter referred to as the "Borrowed Money".
- **INTEREST RATE:** Interest will accrue on the unpaid sum at a rate of \_\_\_\_\_% per annum, beginning from the Start Date and following the Terms and Conditions stated below.

## LOANED AMOUNT:

1. **PAYMENTS:** The full balance of this Note, including any and all accrued interest and late fees, is due and payable on \_\_\_\_/\_\_\_\_/20\_\_\_\_, hereinafter referred to as "the Due Date".

The payments for the sum owed by the Borrower will be paid via one of the following options:

- LUMP SUM** - The Borrower will pay a single lump sum, comprising the combined principal and interest of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) by the Due Date.
- INSTALLMENTS** - The Borrower will pay the principal and interest in regular installments of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on a:
  - weekly basis**, with any remaining balance payable on the Due Date.
  - monthly basis**, with any remaining balance payable on the Due Date.

**quarterly basis**, with any remaining balance payable on the Due Date.

**2. SECURITY:** The Borrowed Money stated in this Note will be:

- SECURED** - There shall be Property described as \_\_\_\_\_ hereinafter referred to as “the Security” which will transfer to the possession and ownership of the Lender IMMEDIATELY in the event of a default on the Borrowed Money owed\*.
- UNSECURED** - NO SECURITY will be provided with this Note.

\* **IMPORTANT:** The Security stated above cannot be transferred or sold without the permission of the Lender before the agreed-upon Due Date. If this provision is breached by the Borrower, the Lender may declare the entire sum owed by this Note immediately due and payable unless prohibited by local law. Additionally, the Lender has the right to accept the named Security as full payment for the Borrowed Money, unless If the property’s market value is below the sum owed. If the property does not sufficiently cover the money owed the Borrower will be liable for any remaining balance, which will accrue interest at the maximum rate permitted by law.

**3. LATE PAYMENTS AND DEFAULT PROVISIONS:**

- a. **FEE** - A late payment fee of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) will be charged if an installment is not paid on time or the money is not returned on the Due Date.
- b. **INTEREST RATE:** If the Borrower does not pay the Note in full on the Due Date or does not pay an installment on time as agreed, the unpaid principal shall accrue interest at the maximum rate permitted by law until the Borrower is no longer in default.
- c. **ACCELERATION:** If the Borrower defaults on the payment of this Note or is in default of another provision of this Note, and it is not cured within the minimum allowed time by law after written notice of the default is provided, the Lender may declare all outstanding sums immediately due and payable.

**4. ALLOCATION OF PAYMENTS:** Payments by the Borrower will be credited against the Borrowed Money owed in the following order:

<b>PAYMENT ALLOCATION ORDER</b>	<b>MONEY OWED BY THE BORROWER</b>
1st	Late fees the Borrower owes
2nd	Interest due
3rd	The principal sum

5. **PREPAYMENT:** The Borrower may repay the sums of money owed in this Note ahead of the payment schedule without penalty or additional fees.

6. **ATTORNEY'S FEES AND COSTS:**

- a. The Borrower shall pay all costs that the Lender incurs when enforcing this Note and collecting debts owed after a default, including reasonable attorneys' fees.
- b. If the Lender or Borrower pursues legal action to enforce this Note, the successful party may recover reasonable attorneys' fees and costs (including those incurred in any bankruptcy proceeding or appeal) from the unsuccessful party.

7. **ENFORCEABILITY OF THIS NOTE:**

- c. **NON-WAIVER:** Failure or delay by the Lender in exercising the Lender's rights under this Note will NOT be considered a waiver of those rights.
- d. **SEVERABILITY:** Any provision within this Note that is determined to be void or unenforceable for any reason will not invalidate the enforceability of any other provision.
- e. **INTEGRATION:** There are no verbal or other agreements that alter or affect the terms of this Note. This Note may NOT be modified or amended except by a written agreement signed by both the Borrower and the Lender.

8. **NOTICE:** Any notices required or permitted by this Note must be given in writing and delivered either:

- a. in person; or
- b. by certified mail, postage prepaid, return receipt requested; or
- c. by facsimile; or
- d. by a commercial overnight courier that guarantees next-day delivery and provides a receipt.

All such notices must be made to the parties at the addresses listed on this Note.

9. **CO-SIGNER:** (Check the appropriate box below)

- CO-SIGNER** - This Note will have a Co-Signer, known as \_\_\_\_\_, referred to hereinafter as "the Co-Signer"\*.

**NO CO-SIGNER** - - This Note does not have a Co-signer.

\* **IMPORTANT:** The Co-signer agrees to and acknowledges the liabilities and obligations on behalf of the Borrower under the terms of this Note. If the Borrower fails to make payment, the Co-Signer will be personally responsible and guarantees the payment of the principal, late fees, and any accrued interest under the terms of this Note.

**10. GOVERNING LAW:** This Note shall be governed by the laws in the State of \_\_\_\_\_.

**PARTY SIGNATURES:**

**IN WITNESS WHEREOF** the parties have duly

<b>Lender's Signature</b> _____	<b>Date</b> ____/____/____
Print Name _____	

<b>Borrower's Signature</b> _____	<b>Date</b> ____/____/____
Print Name _____	

<b>Co-Signer Signature</b> _____	<b>Date</b> ____/____/____
Print Name _____	

**Witness Signature**\_\_\_\_\_

**Date** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Print Name**\_\_\_\_\_