

SAMPLE PROMISSORY NOTE

This document is to be used as a guideline only. We do not guarantee that this document is suitable, or legally accurate, for all situations, and is not liable for any deficiencies in the document's content.

Borrower Information:	
Name:	Date:
Street Address:	Date of Birth:
City:	Area code/Telephone number:
State:	Driver's License Number:
Zip:	Social Security Number:

Lender Information:	
Name:	Area code/Telephone number:
Street Address:	If paying by check, make check payable to: Send payments to:
City:	
State:	
Zip:	

Loan Information:	
Loan Amount:	Loan Period:
Interest Rate:	Payment Schedule:

1. **Promise to Pay.** For value received, _____ (Borrower) promises to pay _____ (Lender) \$ _____ and interest at the yearly rate of _____% on the unpaid balance as specified below.

2. **Installments.**

- Borrower will pay _____ payments of \$ _____ each at monthly/yearly/ _____ intervals on the _____ day of the month.
- Borrower will pay one lump payment on _____ date.
- Borrower will pay _____ payments of \$ _____ each at monthly/yearly/ _____ intervals with a final balloon payment of _____ at the end of the loan term on _____ date.

3. **Application of Payments.** Payments will be applied first to interest and then to principal.

4. **Prepayment.** Borrower may prepay all or any part of the principal without penalty.

5. **Loan Acceleration.** If Borrower is more than _____ days late in making any payment, Lender may declare that the entire balance of unpaid principal is due immediately, together with the interest that has accrued.

7. **Security**

- This is an unsecured note.
- Borrower agrees that until the principal and interest owed under this promissory note are paid in full, this note will be secured by a security agreement and Uniform Commercial Code Financing statement giving Lender a security interest in the equipment, fixtures, inventory and accounts receivable of the business known as _____.
- Borrower agrees that until the principal and interest owed under this promissory note are paid in full, this note will be secured by the
 - mortgage
 - deed of trust covering the real estate commonly known as _____ and more fully described as follows: _____

8. **Collection Costs.** If Lender prevails in a lawsuit to collect on this note, Borrower will pay Lender's costs and lawyer's fees in an amount the court finds to be reasonable.

The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of attorney to enter into any such modification on their behalf. The rights of any holder hereof shall be cumulative and not necessarily successive. This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of _____.

Witnessed: _____ Date: _____

Witnessed: _____ Date: _____

Borrower: _____ Date: _____

Borrower: _____ Date: _____