Family and Friends Loan Agreement

|  |  |
| --- | --- |
| This agreement is dated: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Date] |
| It is made between: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Lender’s name] |
| of  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Street address] (the “Lender”) |
| and | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Borrower’s name] |
| of | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Street address] (the “Borrower”) |

The terms of this agreement are:

1. Definition and purpose of Loan
	1. “Loan” means the sum of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_[amount] or such greater sum as has been lent by the Lender to the Borrower at any time, or whatever lesser sum is outstanding after part repayment has been made. It includes interest.
	2. The Loan shall be used only to:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Purpose]

1. Sum of Loan and advances
	1. The total sum offered by the Lender and available to borrow is $\_\_\_\_\_\_\_\_\_\_\_\_\_\_[amount].
	2. The Loan will be given when the Borrower has provided certain information to the Lender to the satisfaction of the Lender.
2. Repayment conditions
	1. The Loan will be repaid in full \_\_\_\_\_\_\_\_\_\_[number] months from today.
	2. The Borrower may repay all or part of the Loan before the due date for repayment.
	3. All money due to the Lender will be paid by bank deposit into any Australian bank account that the Lender may from time to time in writing notify.
	4. If the Borrower fails to make any payment on the due date, including a payment of interest, the full amount of the loan will become due.
	5. The Lender is under no obligation to send any reminder or demand for any payment.
3. Interest payable
	1. Interest is payable at \_\_\_\_\_\_\_%[Interest rate] per year

OR

* 1. Interest is payable at \_\_\_\_\_\_\_%[Interest rate] per year above the cash rate of the Reserve Bank of Australia.
	2. Interest will be calculated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Monthly/yearly] and cumulated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Monthly/yearly].
	3. Interest will be paid whether or not requested or demanded, on or before the \_\_\_\_\_\_\_[Number] day of each month in respect on the preceding calendar month.
1. Miscellaneous matters
	1. No amendment or variation to this agreement is valid unless in writing, signed by each of the parties or his authorised representative.
	2. In this agreement a reference to one gender shall include any or all genders and a reference to the singular may be interpreted where appropriate as a reference to the plural and vice versa.
	3. If any party to this agreement comprises more than one person, all obligations of that party shall be construed as joint and several.
	4. The parties acknowledge and agree that this agreement has been jointly drawn by the parties and accordingly it should not be construed strictly against either party.
	5. So far as any time, date or period is mentioned in this agreement, time shall be of the essence.
	6. No failure or delay by any party to exercise any right, power or remedy will operate as a waiver of it nor indicate any intention to reduce that or any other right in the future.
	7. The validity, construction and performance of this agreement shall be governed by the laws of the State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[State]. Any dispute arising in connection with this agreement shall be subject to the exclusive jurisdiction of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[State] courts.

Signed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Signature]

Lender: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Name]

Signed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Signature]

Borrower: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Name]