

Collateral Acknowledgment

Records an item handed over as loan security, its condition, and what happens to it when the loan is repaid or not.

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1. Parties and loan reference

Identifies borrower and lender and the specific loan the item secures.

2. Description of collateral

Describes the item precisely enough that no other item could be confused with it.

3. Condition and value

Records the item's condition at handover and the value both sides agree on.

4. Custody and care

States where the item will be kept and that the lender must keep it safe and not use it.

5. Return conditions

Confirms the item is returned promptly once the loan is repaid in full.

6. Default

Explains what the lender may do with the item if the loan is not repaid by the agreed date.

7. Surplus value

Notes how value above the debt is handled if the item is ever sold after default.

8. Signatures

Both parties sign and date, with an inventory or photos attached.

Signatures — A

Signatures — B

Witness signature

Date: _____

Date: _____

Date: _____

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PREVIEW