

Family Loan Agreement

A written loan record designed for relatives — clear terms that protect the money without straining the relationship.

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1. Parties and relationship

Names both relatives and states how they are related, which makes the document clear to anyone who reads it later.

2. Loan declaration

States plainly that the money is a loan and not a gift — the single most important sentence in a family loan.

3. Amount and handover

Records the sum, the currency, and how the money is delivered, such as a bank transfer on a named date.

4. Interest

Confirms whether the loan is interest-free or carries a modest rate, so no one assumes differently later.

5. Repayment schedule

Sets the rhythm of repayment — often smaller, flexible installments that fit family reality.

6. Payment pauses

Describes how the borrower asks to pause or reduce payments, and how missed amounts are made up.

7. Early repayment

Allows the borrower to repay faster without penalty, which most family lenders welcome.

8. Death of a party

Explains what happens to the outstanding balance if the lender or borrower dies — repaid to the estate, forgiven, or renegotiated with heirs.

9. Record of payments

Commits both sides to keeping a simple payment log, so the outstanding balance is never disputed.

10. Changes

Requires future changes — a lower installment, a longer term — to be written down and signed, not just agreed over dinner.

11. Signatures and witnesses

Space for both relatives and any witnesses to sign and date.

Signatures — A

Signatures — B

Witness signature

Date: _____

Date: _____

Date: _____

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PREVIEW