

# Loan Cancellation Agreement

Records a lender's decision to forgive a loan, in full or in part, so the debt is clearly and permanently released.

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## 1. Parties

Names the lender and borrower with identifying details.

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## 2. The original loan

Identifies the loan being cancelled by date, amount, and any written agreement.

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## 3. Cancellation and release

States that the lender cancels the stated balance and releases the borrower from repaying it.

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## 4. Scope

Clarifies whether the release covers the whole loan or a specific portion, including any interest.

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## 5. Effective date

Fixes the date from which the debt no longer exists.

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## 6. Return of documents

Requires the lender to return or mark as cancelled any promissory note or original agreement.

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## 7. Entire understanding

Confirms this document replaces earlier discussions about forgiving the loan.

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## 8. Signatures

Provides dated signature blocks for both parties and any witnesses.

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Signatures — A

Signatures — B

Witness signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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PREVIEW