

Loan Settlement Agreement

Ends a loan with one final agreed payment, often less than the full balance, and releases the borrower from the rest.

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1. Parties

Identifies the lender and borrower with full names and ID or address details.

2. Background

Briefly describes the original loan and the outstanding balance both sides acknowledge.

3. Settlement amount

States the exact figure that will close the debt and the currency it is paid in.

4. Payment deadline and method

Sets when and how the settlement must be paid, with account details if paid by transfer.

5. Release of remaining debt

Confirms that once payment clears, the lender releases the borrower from the rest of the loan.

6. Failure to pay

Explains what happens if the settlement is not paid on time, such as the original balance becoming due again.

7. No admission of fault

Optionally records that settling is not an admission of wrongdoing by either side.

8. Signatures

Provides dated signature blocks for both parties and any witnesses.

Signatures — A

Signatures — B

Witness signature

Date: _____

Date: _____

Date: _____

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PREVIEW