

Personal Loan Agreement

A clear written record of a loan between two people, covering the amount, interest, repayment schedule, and what happens if payments stop.

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1. Parties

Identifies the lender and borrower by full name, address, and ID number, so there is no doubt who owes what to whom.

2. Loan amount and disbursement

States the exact amount lent, the currency, and how and when the money is handed over.

3. Interest

Records the interest rate — or states clearly that the loan is interest-free — and how any interest is calculated.

4. Repayment schedule

Sets out each payment: how much, how often, and the final date by which the loan must be fully repaid.

5. Payment method

Names the account or method the borrower must use, so every repayment leaves a traceable record.

6. Early repayment

Confirms whether the borrower can pay off the loan early and whether that reduces the interest owed.

7. Late payments

Defines when a payment counts as late and what follows — a grace period, a reminder, or default interest.

8. Default

Explains what happens if the borrower stops paying entirely, including the lender's right to demand the full balance.

9. Guarantor (optional)

Adds a third person who promises to pay if the borrower cannot — used for larger or riskier loans.

10. Notices

Says how the parties contact each other formally — email, registered mail, or a messaging app you both name.

11. Governing law

States which country's law applies, which matters when lender and borrower live in different places.

12. Signatures

Space for both parties — and witnesses, if used — to sign and date the agreement.

Signatures — A

Signatures — B

Witness signature

Date: _____

Date: _____

Date: _____

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