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LOAN AGREEMENT

THIS AGREEMENT is made on the *[insert day]* day of *[insert month]*
[insert year]

BETWEEN:

[Insert name and address of the organisation or individual lending the money], ("the Lender")

AND

[Insert name and address of the organisation or individual borrowing the money], ("the Borrower")

WHEREBY IT IS AGREED as follows:

1. Introduction

The Lender will make available to the Borrower the full sum of *[insert amount in words]* Pounds, £ *[insert in numbers]* in the form of a loan on the basis of the terms and conditions within this Loan Agreement.

2. Loan Repayment Date

The principal amount of the Loan together with all interest due under this Agreement shall be repaid in full by the close of business on *[insert full date]*.

3. Loan Repayment Schedule

3.1 The first repayment shall be made by the Borrower to the Lender on *[insert date]* and subsequent payments will be made *[insert time period, for example, monthly or quarterly]*.

3.2 The first repayment amount shall be of *[insert amount in words]* Pounds, £ *[insert in numbers]*.

3.3 Subsequent repayment amounts shall be for the same amount, subject to changes in the base rate of *[insert bank name]* Bank plc.

3.4 Any changes in the base rate of *[insert bank name]* Bank plc will be apportioned on a daily basis for the month in which the change occurs.

4. Early Repayment

4.1 The Borrower on giving the Lender three months written notice may repay the entire Loan - the principal amount and all interest owing up to the date of actual repayment.

4.2 Alternatively the Borrower may give the Lender written notice of immediate repayment of the entire Loan - the principal amount and all interest owing up to the date of actual repayment. The Borrower will also pay an additional three months interest in lieu of notice to the Lender.

5. Loan Purpose

5.1 The Loan shall be used exclusively for following specified purpose: *[insert details of what the loan will be used for]*

5.2 The Borrower shall not use the Loan for any other purpose without the prior written approval of the Lender.

6. Documentation

6.1 The Loan amount will only be made available to the Borrower once the Lender receives and approves copies of the following documentation:

If the Borrower is a company:

6.1.1 A copy of the resolution made by the directors of the company agreeing and approving that the company borrows the sum of the loan from the Lender. The resolution must also be signed and approved by the company secretary.

6.1.2 A copy of the Memorandum and Articles of Association of the Borrower, which must be certified by the company secretary as complete and up to date.

If the Borrower is a partnership:

6.1.3 All of the partners within the partnership must sign this Loan Agreement.

7. Loan Interest

The interest on the principal amount of the Loan outstanding shall accrue daily at the rate of *[insert amount in words]* per cent, []% per annum above the base rate of *[insert bank name]* Bank plc as varied from time to time.

**Sample document – the remaining are clause headings only
Full document contains all clauses**

8. Default Interest

9. Loan Payments Application

10. Representations & Warranties

11. Borrower's Undertakings

12. Immediate Repayment Due To Default

13. Fees & Expenses

14. Payment Methods & Procedures

15. Notices

16. Assignment

17. General

18. Jurisdiction

IN WITNESS of which the parties have signed this Agreement the day, month and year first above written.

[Insert Lender's name]

[Insert name of person signing on the Lender's behalf]

[Insert their position]

Signature: _____

In the presence of:
[Insert Witness's name]
[Insert Witness's address]

Signature: _____

[Insert Borrower's name]
[Insert name of person signing on the Borrower's behalf]
[Insert their position]

Signature: _____

In the presence of:
[Insert Witness's name]
[Insert Witness's address]

Signature: _____

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