



# Promissory Note Template

**\*\*DISCLAIMER: THIS IS A LEGALLY BINDING DOCUMENT—LEGAL CONSULTATION  
RECOMMENDED PRIOR TO USE\*\***

## PROMISSORY NOTE

On the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, hereinafter known as the "Start Date",  
\_\_\_\_\_[Borrower's Name] of \_\_\_\_\_  
\_\_\_\_\_[Borrower's Mailing Address],  
hereinafter known as the "Borrower", has received and promises to payback  
\_\_\_\_\_[Lender's Name] of \_\_\_\_\_  
\_\_\_\_\_[Lender's Mailing Address],  
hereinafter known as the "Lender", the principal sum of \_\_\_\_\_ US Dollars  
(\$\_\_\_\_\_) with interest accruing on the unpaid balance at a rate of \_\_\_\_ percent (%)  
per annum, hereinafter known as the "Borrowed Money", beginning as of the Start Date in the  
manner as follows:

**1. PAYMENTS:** The full balance of this Note, including all accrued interest and late fees, is due  
and payable on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, hereinafter known as the "Due Date".

A. Installment(s). (check the applicable box)

☐ - LUMP SUM – Borrower shall pay a lump sum to be made in-full, principal  
and interest included, of \_\_\_\_\_ Dollars  
(\$\_\_\_\_\_) by the Due Date.

☐ - INSTALLMENTS – Borrower shall pay principal and interest in the amount of  
\_\_\_\_\_ Dollars (\$\_\_\_\_\_) on  
☐ a weekly basis with any remaining balance payable on the Due Date.  
☐ a monthly basis with any remaining balance payable on the Due Date.  
☐ a quarterly basis with any remaining balance payable on the Due Date.

LATE FEE - There shall be a late payment fee of \_\_\_\_\_ Dollars  
(\$\_\_\_\_\_) if an installment is not paid on-time along with the default interest due,  
as described in Section 3, if the Lender does not receive the installment on the  
due date.



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## 2. SECURITY: (check the applicable box)

☐ - UNSECURE – There shall be NO SECURITY provided in this Note.

☐ - SECURE – There shall be Property described as \_\_\_\_\_

\_\_\_\_\_ hereinafter known as the “Security”, which shall transfer to the possession and ownership of the Lender IMMEDIATELY pursuant to Section 6A of this Note. The Security may not be sold or transferred without the Lender’s consent until the Due Date. If Borrower breaches this provision, Lender may Page 2 of 3 declare all sums due under this Note immediately due and payable, unless prohibited by applicable law. The Lender shall have the sole-option to accept the Security as full payment for the Borrowed Money without further liabilities or obligations. If the market value of the Security does not exceed the Borrowed Money, the Borrower shall remain liable for the balance due while accruing interest at the maximum rate allowed by law.

**3. INTEREST DUE IN THE EVENT OF DEFAULT:** In the event the Borrower fails to pay the note in-full on the Due Date, unpaid principal shall accrue interest at the maximum rate allowed by law, until the Borrower is no longer in default.

**4. ALLOCATION OF PAYMENTS:** Payments shall be first credited any late fees due, then to interest due and any remainder will be credited to principal.

**5. PREPAYMENT:** Borrower may pre-pay this Note without penalty.

**6. ACCELERATION:** If the Borrower is in default under this Note or is in default under another provision of this Note, and such default is not cured within the minimum allotted time by law after written notice of such default, then Lender may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable.

**6A. SECURITY** - This includes any rights of possession in relation to the Security described in Section 2.

**7. ATTORNEYS’ FEES AND COSTS:** Borrower shall pay all costs incurred by Lender in collecting sums due under this Note after a default, including reasonable attorneys’ fees. If Lender or Borrower sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys’ fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.



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**8. WAIVER OF PRESENTMENTS:** Borrower waives presentment for payment, notice of dishonor, protest and notice of protest.

**9. NON-WAIVER:** No failure or delay by Lender in exercising Lender's rights under this Note shall be considered a waiver of such rights.

**10. SEVERABILITY:** In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.

**11. NOTICE:** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be made to the parties at the addresses listed below.

**12. GOVERNING LAW:** This note shall be governed under the laws in \_\_\_\_\_.

## 13. SIGNATURE AREA

Lender's Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Witness Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_