TFB Legacies Consulting

Sample Loan Contract

This is an anonymized version of a real family bank loan contract which was drafted by a family bank board for a family bank loan recipient.

Disclaimer: TFB Legacies Consulting shares learning and advice about Family Bank principles and practices. Nothing in this document should be considered as legal, tax, or financial advice. Please consult the respective professionals for legal, tax, or financial products and services.

Family Bank Loan Agreement

This Family Bank Loan Agreement ("Agreement") is made and effective as of 3/15/2024 between:

Borrower:
John Doe
123 Main Street
Springfield, IL 60270
("Borrower"),

and

Doe Family Bank
7829 18th Ave,
Pleasantville, ID 39390
("Lender").

1. LOAN AMOUNT: The Lender agrees to lend the Borrower the sum of 21,000 USD (Twenty-one thousand dollars) (the "Loan").

2. INTEREST RATE: The Loan will accrue interest at a rate of 5.53% per annum.

3. REPAYMENT TERMS: The Borrower agrees to repay the Loan in 25 equal monthly installments of $400 each, starting on April 15 and continuing on the 15th of each subsequent month. After 25 months payment increases to $800 for 17 months until approximately September 2027, when the remaining balance of the Loan will be due in full. Checks will be delivered to:

New York life
Attn Jane Doe
7829 18th Ave,
Pleasantville, ID 39390

4. PREPAYMENT: The Borrower may prepay the Loan in whole or in part at any time without penalty.

5. LATE FEES: If any installment payment is more than 10 days late, a late fee of $25 will be added to the balance due and will be subject to the same interest rate terms outlined in this Agreement.

6. DEFAULT: In the event of default, the Lender may declare the entire outstanding balance under this Agreement to be immediately due and payable.

7. GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

8. AMENDMENTS: Any amendments to this Agreement must be in writing and signed by both parties.

9. ENTIRE AGREEMENT: This Agreement contains the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements and understandings, oral or written.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Borrower Signature: ___________________________ Date: _______________

Lender Signature: _____________________________ Date: _______________