

LOAN AGREEMENT

This **Loan Agreement** ("Agreement") is made and entered into this ___ day of _____, 20, by and between:

[**Lender's Full Name**], of legal age, [marital status], and resident of [Lender's Address] (hereinafter referred to as the "Lender"),

-AND-

[**Borrower's Full Name**], of legal age, [marital status], and resident of [Borrower's Address] (hereinafter referred to as the "Borrower").

1. Loan Amount

The Lender agrees to loan the Borrower a total amount of [Loan Amount in Words] ([₱Loan Amount in Numerals]) Philippine Pesos. This sum shall be provided in a single disbursement on [Disbursement Date] directly to the Borrower's designated account [Account Information, if applicable]. This loan is granted for the specific purpose of [Specify Purpose, if any, e.g., business expansion, property purchase, etc.], and the Borrower agrees to use the funds exclusively for this purpose.

2. Payments

a. Repayment Schedule: The total loan amount, along with accrued interest, shall be repaid over a period of [Total Repayment Period, e.g., 24 months], in monthly installments. The first installment is due on [Start Date of Repayment], with subsequent installments due on the same day of each following month.

b. Monthly Installment Amount: Each installment will amount to [₱Amount per Installment], comprising a portion of the principal amount and the accrued interest.

c. Interest Rate: An annual interest rate of [Specify Interest Rate]% will be applied to the outstanding balance of the loan.

d. Method of Payment: Payments shall be made by the Borrower to the Lender through [specify method, e.g., bank transfer, check], to an account specified by the Lender. The Borrower is responsible for ensuring that payments are received by the Lender on or before the due date.

3. Penalty

a. Late Payment Penalty: In the event of a late payment, a penalty of [Specify Amount or Percentage, e.g., 3%] per month on the unpaid installment amount shall be imposed. This penalty shall accrue from the due date of the missed payment until the payment is made in full.

b. Default Clause: If the Borrower fails to make two consecutive payments on the due dates, the loan will be considered in default. In such an event, the Lender has the right to declare the entire remaining balance of the loan, including accrued interest and penalties, immediately due and payable. The Lender may also exercise other remedies available under Philippine law to recover the owed amount.

4. Covenants

The Borrower hereby agrees to the following covenants:

- a. Use of Funds: The Borrower shall use the loan amount exclusively for the purpose stated in Section 1 and shall not divert the funds for any other use.
- b. Financial Information: The Borrower agrees to provide the Lender with financial statements or other evidence of financial status upon reasonable request.
- c. Compliance with Laws: The Borrower shall comply with all applicable laws and regulations in the use of the loan funds and in the conduct of their business or activities.
- d. Notification of Material Change: The Borrower shall notify the Lender immediately of any material change in their financial condition or business operations that could affect their ability to repay the loan.

5. Binding Effect

This Agreement shall be binding upon and inure to the benefit of both the Lender and the Borrower and their respective successors, legal representatives, and permitted assigns. The Borrower may not assign or transfer any rights or obligations under this Agreement without the prior written consent of the Lender.

6. Amendments and Waivers

- a. Amendments: Any amendments, modifications, or waivers of any provision of this Agreement shall be effective only if in writing and signed by both parties.
- b. Waivers: The failure or delay by either party to exercise any right or remedy under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

7. Governing Law and Jurisdiction

- a. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines.
- b. Jurisdiction: Any disputes arising out of or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of [Specify Jurisdiction], Philippines. The parties agree to submit to the jurisdiction of these courts and waive any objections to the venue.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

[Lender's Signature]
[Lender's Printed Name]

[Borrower's Signature]
[Borrower's Printed Name]

Signed in the presence of:

[Witness #1 Signature]
[Witness #1 Printed Name]

[Witness #2 Signature]
[Witness #2 Printed Name]