

Friends and family loan agreement

This agreement is dated: [Date]

It is made between: [Lender name],

of [Address] ("The Lender")

and [Borrower name]

of [Address] ("The Borrower")

The terms of this agreement are:

1. Definition and purpose of Loan

1.1 "Loan" means the sum of [amount] or such greater sum as shall in fact have been lent by the Lender to the Borrower at any time,

1.2 The Loan shall be used only to:

[buy a /
].

2. Sum of Loan and advances

2.1 The total sum offered
£ [].

2.2 The Loan shall be drawn down
[]

OR

2.3 The Loan shall be
[].

AND/OR

2.4 The Loan shall be drawn down

OR

2.5 The initial draw down of the Loan shall be made only

AND/OR

2.6 Before any new Advance may be drawn

[List items of info required].

3. Repayment conditions

3.1 The Loan shall []

OR

3.2 The Loan shall

[List of dates and amounts].

AND/OR

3.3 The Loan shall be

[
].

3.4

3.5

3.6

, [],

3.7

4. Interest payable

4.1

[]

OR

4.2

[]

[]

4.3

[]

[/

].

4.4

, []

5. Miscellaneous matters

5.1

,
.

5.2

.

5.3

,
,

5.4

,

5.5 , [/ /] [/ /].

Signed by [name]

[On behalf of] [Lender]:

Signed by [name]

[On behalf of] [Borrower]:

Explanatory notes:

Friends and family loan agreement

General notes

There is little statutory regulation relating to an agreement of this nature, so the parties can make more

The agreement must be signed by both sides and dated. Each side should have a copy signed by the other. That is all

Paragraph Specific Notes:

Notes relating to the numbered paragraphs

1. Purpose of Loan

Note that the definition of “Loan” includes all money

It is important to specify the purpose because by doing so, if the Borrower

2. Sum of Loan and advances

Provides for alternative draw down arrangements and provision of information to the lender. For example, even though you might lend £4,000 in total, you may want to £ 2 , 000

Edit so that it reflects

3. Repayment conditions

This could be a fixed date or several dates or on the happening of

”

“

”

4. **Interest payable**

The provision for cumulation of interest should have careful attention, particularly if the rate of

“ ’ ” ,

(

).

5. **Miscellaneous matters**

A number of

End of notes