

YOUR LOGO
HERE

UNSECURED LOAN AGREEMENT INDIVIDUAL TO INDIVIDUAL

THIS UNSECURED LOAN AGREEMENT made

THE ___ DAY OF _____ 20__

BETWEEN

James Johnson of 1 Perth Street Perth 5000

(the "Lender")

AND

Steven Smith of 1 Brisbane Street Brisbane 7000 , Bricklayer (the "Borrower")

AND

John Smith of 1 Sydney Street Sydney 2000

(the "Guarantor")

THIS UNSECURED LOAN AGREEMENT made on _____ of _____ 20__.

BETWEEN: James Johnson of 1 Perth Street Perth 5000 (**the “Lender”**)

AND Steven Smith of 1 Brisbane Street Brisbane 7000 , Bricklayer
(**the “Borrower”**)

AND John Smith of 1 Sydney Street Sydney 2000 (**the “Guarantor”**)

WHEREAS:

- A. The Borrower is indebted to the Lender for the amount of the loan as set out below in Clause 1.
- B. The Lender has and may advance further moneys to the Borrower by way of loan.
- C. The Lender and the Borrower wish to formally record the terms of all borrowings past, present or future that might be made by the Borrower from the Lender and unless otherwise agreed in writing the terms of this Loan Agreement apply to all such borrowings.
- D. The Guarantor has agreed to guarantee the Borrower's obligations to the Lender in this Loan Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. ACKNOWLEDGEMENT OF THE LOAN

- 1.1. The Borrower acknowledges that the Lender has lent to the Borrower the sum of \$20,000 (the “Loan”). The Loan was made to the Borrower on ___/___/___ . The Loan is unsecured.
- 1.2. The Borrower further acknowledges that the terms of this Loan Agreement are the terms upon which the Lender is prepared to continue to lend the Loan to the Borrower.
- 1.3. The Borrower acknowledges that the Lender may at any time hereafter lend further moneys to the Borrower. These further advances form part of the Loan and the terms of this Loan Agreement apply.
- 1.4. The Borrower has represented to the Lender that the purpose of the Loan is to enable the Borrower to To help Steven purchase a car. The Borrower undertakes to the Lender that the Borrower will not use the Loan for any other purpose without the Lender’s prior written approval.

2. REPAYMENT OF LOAN

- 2.1. All moneys lent to the Borrower by the Lender including the Loan must be repaid by the Borrower to the Lender as follows:
 - 2.1.1. on or before the ___/___/___; or

- 2.1.2. upon any default by the Borrower; or
 - 2.1.3. upon any other event referred to in this Loan Agreement that entitles the Lender to require repayment of the Loan.
- 2.2. If the Loan becomes repayable then the Lender may at the Lender's discretion require only partial repayment of the Loan, in which event the balance of the Loan not repaid continues to be immediately due and owing and the terms of this Loan Agreement apply.
- 2.3. The Borrower will repay the Loan by instalments of Three hundred and sixty two dollars (\$362.00) each week payable on the last calendar day of that period, such instalments starting from the month following the execution of this Loan Agreement. If there is an amount outstanding on the Loan when it falls due for repayment, the balance owing will be repayable as set out in this clause.
- 2.4. The Borrower promises and undertakes to repay the Loan to the Lender as set out in this Clause 2. Any failure by the Borrower to comply with this clause is a breach of an essential term and notwithstanding anything in this Loan Agreement the whole of the Loan then owing becomes immediately due and payable.

3. RIGHT TO REPAY

- 3.1. Notwithstanding Clause 2, the Borrower may at any time repay the whole or any part of the Loan at any time even though no demand has been made for repayment and even though the term of the Loan has not expired.

4. INTEREST

- 4.1. The Borrower will pay interest to the Lender on the Loan on so much of the Loan as is outstanding from time to time at the rate of 8.64 % per annum.
- 4.2. The Borrower will pay interest on the Loan or any balance of the Loan on a monthly basis. This will be an Interest Period. The interest must be paid by the Borrower within 7 days of the expiry of each Interest Period. The interest is to be calculated on the amount of the Loan outstanding at the beginning of the Interest Period. Any failure to pay interest by the Borrower under this clause is a breach of an essential term of this Agreement. If the Borrower is paying by instalments, such instalments shall first be applied towards the payment of any interest outstanding at the time and secondly as to the balance in whole or partial repayment of the Loan. The interest is to be calculated on the amount of the Loan outstanding at the beginning of the Interest Period. Any failure to pay interest by the Borrower under this clause shall be a breach of an essential term of this Agreement.

5. DEFAULT BY BORROWER

- 5.1. If the Borrower defaults in paying any instalment of the Loan in accordance with Clause 2.1, interest when due or if the Borrower is declared bankrupt or becomes insolvent, then the Borrower is in default and the Lender may, notwithstanding anything elsewhere contained, by written demand require immediate repayment by the Borrower of the whole of the amount of the Loan or any balance outstanding.
- 5.2. The written demand signed by the Lender may be served on the Borrower at the Borrower's last known address. A written demand may be served by pre-paid post and if served by post, will be deemed received 3 days after the date of posting. If served personally, the written demand will be deemed served on the date of personal service. A written demand may be served by facsimile. If sent by facsimile, it will be deemed received by the Borrower on the day after the day it has been sent by facsimile. A facsimile transmission sheet will be conclusive evidence of the written demand having been sent to that facsimile number.

6. WHOLE AGREEMENT

- 6.1. This Loan Agreement represents the whole agreement between the Lender and the Borrower concerning the lending to the Borrower of the Loan. All representations, understandings or prior agreements concerning the Loan are acknowledged as having been waived and of no force or effect whatsoever.

7. SECURITY

- 7.1. Notwithstanding any Loan period and notwithstanding that there has been no breach by the Borrower, the Lender may at any time by notice in writing require the Borrower to provide security for the Loan. That security may be a mortgage over any land owned by the Borrower or a bill of sale over any personal property of the Borrower or by the provision of a guarantee by a third person guaranteeing the Borrower's observance of this Loan Agreement.
- 7.2. If, after 90 days the Borrower has failed to provide the security requested by the Lender on terms satisfactory to the Lender, the Lender may at any time thereafter by demand in writing require the whole of the Loan to be repaid and the Borrower must thereupon repay the Loan.

8. GUARANTEE

- 8.1. This Loan has been made by the Lender to the Borrower at the request of the Guarantor. In consideration of the Lender making the Loan to the Borrower and entering into this Loan Agreement with the Borrower on the terms set out above, the

Guarantor guarantees to the Lender the due and punctual performance by the Borrower of all of the terms of this Loan Agreement and in particular but without limitation the Borrower's obligations to repay in full the Loan when due for repayment as set out above.

- 8.2. Further to the guarantee in Clause 8.1 the Guarantor covenants and undertakes to the Lender that the Guarantor will promptly pay on demand to the Lender the whole amount of the Loan and upon such demand being made by the Lender the Guarantor acknowledges that the Loan will thereby become a debt immediately due and payable by the Guarantor to the Lender. The Guarantor expressly acknowledges that the Lender may serve a demand for payment of the Loan on the Guarantor notwithstanding that no demand for payment has been made by the Lender on the Borrower.
- 8.3. No waiver of any obligation on the part of the Lender, nor the death, bankruptcy or insolvency of the Borrower, nor any failure by the Lender to enforce any of the Lender's rights against the Borrower nor any extension of the term of the Loan or other indulgence given to the Borrower in the performance of any of the obligations under this Loan Agreement nor any variation or change to the terms of this Loan Agreement will in any way be deemed to discharge, modify or in any way release the Guarantor from this guarantee with the intention that it will always be fully enforceable against the Guarantor until the Borrower has fully repaid the Loan to the Lender and met all of the Borrower's obligations under this Loan Agreement.

IN WITNESS WHEREOF the parties have executed this Loan Agreement on ___/___/20__.

SIGNED BY)
James Johnson)
in the presence of:)
)

Signature

Signature of Witness
Print Name:

SIGNED BY)
Steven Smith)
in the presence of:)
)

Signature

Signature of Witness
Print Name:

SIGNED BY)
John Smith)
in the presence of:)
)

Signature

Signature of Witness
Print Name:

SAMPLE ONLY
YOUR DOCUMENT WILL VARY DEPENDING ON THE ANSWERS YOU
PROVIDE THROUGH THE BUILDING PROCESS