

Sample Loan Agreement Letter Between Friends

[Your Name]

[Your Address]

[City, State, Zip Code]

[Email Address]

[Phone Number]

[Date]

[Friend's Name]

[Friend's Address]

[City, State, Zip Code]

[Email Address]

[Phone Number]

Dear [Friend's Name],

RE: Loan Agreement

I hope this letter finds you well. I am writing to formalize the terms of a personal loan that I am providing to you. Our friendship is important to me, and I believe that open communication and clear agreements are essential in maintaining our strong bond.

1. Loan Amount: I, [Your Name], am lending you the sum of [Loan Amount in Words] ([Loan Amount in Numbers]) to be used for [Specify Purpose of the Loan].

2. Repayment Terms: You agree to repay the loan amount in [Number of Installments] equal installments, with the first payment due on [First Repayment Date]. Subsequent payments will be due on the same day of each month until the loan is fully repaid.

3. Interest Rate: To ensure fairness and cover any administrative costs, an interest rate of [Interest Rate]% per annum will be applied to the outstanding loan balance. Interest will accrue from the date of disbursement until the loan is fully repaid.

4. Method of Repayment: You agree to make the repayments via [Specify Payment Method], which

may include bank transfer, check, or any other mutually agreed method.

5. Late Payments: In the event of a late payment, a late fee of [Late Fee Amount] will be charged for each installment that is not paid within [Number of Days] days of the due date.

6. Prepayment: You have the option to make prepayments at any time, which will be applied towards the outstanding balance of the loan.

7. Security: The loan will be unsecured, meaning no collateral is required.

8. Termination: This agreement may be terminated by mutual written consent or upon full repayment of the loan amount.

9. Governing Law: This agreement shall be governed by the laws of the state of [Your State].

Please review these terms carefully. If they accurately reflect our understanding, please sign a copy of this letter and return it to me. Once I receive the signed copy, I will provide you with the loan amount.

I want to emphasize that our friendship is of utmost importance to me, and I am confident that we will both honor our commitments as outlined in this agreement. If you have any questions or concerns, please feel free to contact me.

Thank you for your understanding, and I look forward to a successful and mutually beneficial arrangement.

Sincerely,

[Your Signature]

[Your Typed Name]

Accepted and Agreed:

[Friend's Signature]

[Friend's Typed Name]

Date: [Date of Agreement Acceptance]