

Auto Loan Agreement

This **Auto Loan Agreement** (the "**Agreement**") is entered into on _____ by and between the following parties:

Lender

Borrower

The Lender and the Borrower are collectively referred to as the "**Parties**" and individually as a "**Party**".

1. Purpose of Agreement

The purpose of this Agreement is to set forth the terms and conditions under which the Lender agrees to provide financing to the Borrower for the purchase of a motor vehicle, and the Borrower agrees to repay such financing in accordance with the terms stated herein.

2. Loan Amount and Disbursement

The Lender agrees to loan the Borrower the principal sum of _____ (the "**Loan**").

The Loan shall be disbursed on or about _____ by:

- Direct payment to the vehicle seller; or
- Transfer to the Borrower's designated account: _____.
- The Borrower acknowledges receipt of the Loan proceeds upon disbursement.

3. Vehicle Description

The Loan is provided for the purchase of the following vehicle (the "**Vehicle**"):

Make:

Model:

Year:

Vehicle Identification Number (VIN):

Color:

The Borrower represents that the Vehicle will be used primarily for lawful personal or business purposes.

4. Interest

The Loan shall bear interest at a rate of _____ % per annum.

Interest shall accrue on the outstanding principal balance from the date of disbursement until the Loan is paid in full. Interest shall be calculated on the basis of a 365-day year and applied to the actual number of days elapsed.

5. Repayment Terms

The Borrower agrees to repay the Loan in _____ installments of _____ each.

Payments shall be due on the _____ of each month, commencing on _____, and continuing until the Loan, including accrued interest and any applicable fees, is paid in full.

All payments shall be made to the Lender at _____ or as otherwise designated in writing by the Lender.

Payments shall be applied first to accrued interest, then to outstanding principal, and finally to any fees or charges due.

6. Security Interest

As security for the repayment of the Loan, the Borrower grants the Lender a continuing security interest in the Vehicle.

The Borrower agrees to:

- Execute any documents necessary to register or perfect the Lender's security interest in the Vehicle.
- Not sell, transfer, lease, pledge, or otherwise dispose of the Vehicle without the prior written consent of the Lender until the Loan is fully repaid.

The security interest shall remain in effect until all obligations under this Agreement have been satisfied in full.

7. Insurance and Maintenance

The Borrower shall, at all times during the term of the Loan:

- Maintain comprehensive and collision insurance coverage on the Vehicle with coverage limits reasonably acceptable to the Lender.
- Name the Lender as a loss payee or additional insured, as permitted by applicable insurance regulations.
- Maintain the Vehicle in good working condition and comply with all manufacturer maintenance requirements.

Proof of insurance shall be provided to the Lender upon request.

8. Prepayment

The Borrower may prepay all or part of the outstanding Loan balance at any time.

Unless otherwise stated here: _____, no penalty shall apply to voluntary prepayment. Any partial prepayment shall first be applied to accrued interest and then to principal.

9. Late Payments

If any payment is not received within _____ days after its due date, the Borrower shall pay a late fee of _____, to the extent permitted by applicable law.

Late fees shall not limit the Lender's right to exercise other remedies available under this Agreement.

10. Events of Default

The following shall constitute an Event of Default:

- Failure to make any payment when due.
- Breach of any material provision of this Agreement.
- Providing false or misleading information in connection with the Loan.
- The Vehicle being seized, confiscated, or materially damaged without adequate insurance coverage.
- Insolvency, bankruptcy filing, or assignment for the benefit of creditors by the Borrower.

11. Remedies Upon Default

Upon the occurrence of an Event of Default, the Lender may, after providing any required notice and opportunity to cure:

- Declare the entire outstanding balance immediately due and payable.
- Take possession of the Vehicle in accordance with applicable law.
- Sell or otherwise dispose of the Vehicle and apply the proceeds toward the outstanding obligations.

The Borrower shall remain liable for any deficiency remaining after application of sale proceeds, as permitted by law.

12. Representations and Warranties of Borrower

The Borrower represents and warrants that:

- The information provided in connection with this Loan is true and accurate.
- The Borrower has the legal capacity to enter into this Agreement.
- Entering into this Agreement does not violate any other agreement to which the Borrower is a party.

13. Governing Law and Dispute Resolution

This Agreement shall be governed by and interpreted in accordance with the laws of _____, without regard to conflict of law principles.

Any dispute arising out of or in connection with this Agreement shall be resolved through good faith negotiation between the Parties. If unresolved, the dispute shall be submitted to the courts of competent jurisdiction in _____, unless the Parties agree in writing to an alternative dispute resolution method.

14. Amendments

No amendment or modification of this Agreement shall be valid unless made in writing and signed by both Parties.

15. Assignment

The Lender may assign or transfer its rights under this Agreement to a third party. The Borrower may not assign or transfer any rights or obligations under this Agreement without the prior written consent of the Lender.

16. Entire Agreement

This Agreement constitutes the entire understanding between the Parties with respect to the Loan and supersedes all prior discussions, representations, or agreements relating to its subject matter.

17. Severability

If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

18. Notices

All notices under this Agreement shall be made in writing and delivered by hand, courier, registered mail, or electronic mail to the addresses set forth above, unless a Party provides updated contact details in writing.

19. Execution

By signing below, the Parties acknowledge that they have read, understood, and agreed to the terms and conditions of this Auto Loan Agreement and intend to be legally bound by it.

Lender

Borrower

Name

Name

Date

Date

Signature

Signature



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