

Business Loan Agreement

1. Parties

This **Business Loan Agreement** ("**Agreement**") is entered into as of _____, by and between the following parties;

Lender

Borrower

The Lender is willing to provide a loan to the Borrower for business purposes, and the Borrower agrees to borrow such funds on the terms set out in this Agreement.

The parties intend this Agreement to create a legally binding obligation, subject to the terms and conditions below.

2. Purpose of Loan

The loan is provided solely for legitimate business purposes of the Borrower, including working capital, operational expenses, or other lawful business activities. The Borrower shall not use the loan for personal purposes or any unlawful activity.

3. Loan Amount

The Lender agrees to loan the Borrower the principal sum of _____ ("**Loan Amount**"), subject to the terms of this Agreement.

4. Disbursement

The Loan Amount shall be disbursed to the Borrower on or before _____, by _____, to an account designated by the Borrower.

5. Interest

The Loan Amount shall accrue interest at a rate of _____% per year, calculated on the outstanding principal balance from the date of disbursement until fully repaid.

Interest shall be calculated on a simple interest basis unless otherwise stated in this Agreement.

6. Repayment Terms

The Borrower agrees to repay the loan as follows:

Repayment Start Date:

Payment Frequency:

Payment Amount:

Final Payment Date:

Payments shall be made to the Lender at the address or account specified by the Lender, or as otherwise notified in writing.

7. Prepayment

The Borrower may prepay all or part of the outstanding loan balance at any time. Unless otherwise stated, no prepayment penalty applies. Any prepayment shall first be applied to accrued interest, then to principal.

8. Security

As security for the full and timely repayment of the loan and the performance of all obligations under this Agreement, the Borrower grants the Lender a continuing security interest in the following assets ("**Collateral**"):

The security interest covers the Collateral together with all replacements, substitutions, additions, proceeds, and insurance proceeds relating to the Collateral, whether existing now or arising in the future.

The Borrower represents that it is the legal owner of the Collateral, that the Collateral is free from any other security interests or claims unless disclosed in writing to the Lender, and that it has full authority to grant this security interest.

Upon the occurrence of an event of default, the Lender may enforce its security interest in the Collateral and exercise all rights available under this Agreement and applicable law, including taking possession of and selling the Collateral to satisfy the outstanding loan obligations. Any proceeds shall be applied first to enforcement costs, then to accrued interest, and then to principal.

The security interest shall remain in effect until all amounts owed under this Agreement have been paid in full and all obligations of the Borrower have been satisfied.

9. Representations and Warranties

The Borrower represents and warrants that:

- It is duly organized and authorized to enter into this Agreement.
- This Agreement constitutes a valid and binding obligation.
- The execution and performance of this Agreement do not violate any other agreement or legal obligation.
- The information provided to the Lender in connection with the loan is accurate and complete.

10. Borrower Obligations

The Borrower agrees to:

- Make all payments on time in accordance with this Agreement.
- Use the loan only for the stated business purpose.
- Promptly notify the Lender of any material change affecting its ability to repay the loan.
- Maintain its business operations in the ordinary course.

11. Events of Default

Each of the following constitutes an event of default:

- Failure to make any payment when due.
- Breach of any material obligation under this Agreement.
- Insolvency, bankruptcy, or cessation of business operations.
- Any representation made by the Borrower proving to be materially inaccurate.

12. Remedies Upon Default

Upon an event of default, the Lender may, after any required notice:

- Declare the outstanding loan balance immediately due and payable.
- Suspend further disbursements, if any.
- Exercise any rights available under this Agreement or applicable law.
- The exercise of one remedy does not prevent the exercise of others.

13. Fees and Expenses

The Borrower is responsible for all reasonable costs directly related to the enforcement of this Agreement, including administrative and collection costs, to the extent permitted by law.

14. Notices

All notices under this Agreement must be in writing and delivered by hand, courier, or email to the addresses stated above, or to any updated address provided in writing.

15. Assignment

The Borrower may not assign or transfer its rights or obligations under this Agreement without the Lender's prior written consent. The Lender may assign its rights upon written notice to the Borrower.

16. Governing Law and Dispute Resolution

This Agreement is governed by the laws of _____ . Any dispute arising from this Agreement shall be resolved through the courts or other agreed dispute resolution process in that jurisdiction.

18. Entire Agreement

This Agreement constitutes the entire understanding between the Parties regarding the loan and replaces all prior discussions or agreements relating to the same subject matter.

19. Severability

If any provision of this Agreement is found unenforceable, the remaining provisions shall continue in full force and effect.

20. Counterparts and Electronic Signatures

This Agreement may be executed in counterparts and signed electronically. Each signed copy is considered an original and together they form one agreement.

By signing below, the Parties acknowledge that they have read, understood, and agreed to be bound by this Business Loan Agreement.

Lender

Name

Date

Signature

Borrower

Name

Date

Signature



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