PAYMENT AGREEMENT

Agreement Date: ___________________, 20____

I. THE PARTIES

This Payment Agreement ("Agreement") is entered into on the date written above ("Effective Date"), by and between:

Creditor/Lender: ________________________
Mailing Address: ____
("Creditor")

AND

Debtor/Borrower: ________________________
Mailing Address: ____
("Debtor")

The Creditor and Debtor may be referred to individually as "Party" and collectively as "Parties."

II. RECITALS

WHEREAS, the Debtor acknowledges owing money to the Creditor; and

WHEREAS, the Parties desire to enter into this Agreement to establish clear terms for repayment;

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, the Parties agree as follows:

III. DEBT AMOUNT

The Debtor acknowledges and agrees that they owe the Creditor a total amount of:

$________________________ ("Current Balance")

This debt is related to: *(check one)*

☐ An Outstanding Balance
☐ Purchase of Property described as: ____
☐ Services described as: ____
☐ Loan provided on: ____
☐ Other: ____

IV. INTEREST RATE

The Total Amount shall: *(check one)*

☐ **Bear Interest.** The Total Amount shall bear interest at a rate of _____% per annum, compounded: *(check one)*

- ☐ Annually
- ☐ Monthly
- ☐ Daily
- ☐ Other: ____

☐ **NOT Bear Interest.** There shall be no interest charged on the Total Amount. The Debtor's only obligation is to repay the principal balance.

V. DISCOUNTED AMOUNT

In consideration of the Debtor's commitment to repay the Current Balance under the terms of this Agreement, the Creditor agrees to: *(check one)*

☐ **NOT Offer a Discount.** The Debtor is obligated to pay the full Current Balance of $______________________ ("Amount Owed").

☐ **Offer a Discounted Amount.** The Creditor shall offer a discounted balance of $______________________ ("Amount Owed") if the Debtor successfully repays according to this Agreement's terms. If the Debtor violates any terms of this Agreement, the discount shall be forfeited, and the Debtor shall owe the full Current Balance plus any accumulated interest, penalties, and fees.

VI. DOWN PAYMENT

The Debtor shall make a down payment: *(check one)*

☐ **Yes.** A down payment of $______________________ is required on or before __________________**, 20**.

☐ **No.** No down payment is required.

VII. REPAYMENT PLAN

The Debtor agrees to repay the Amount Owed to the Creditor under the following schedule: *(check one)*

☐ **Weekly Payments.** Payment of $______________________ due on ______________________ of each week, beginning __________________**, 20** and ending __________________**, 20**.

☐ **Bi-Weekly Payments.** Payment of $______________________ due every two weeks on ______________________, beginning __________________**, 20** and ending __________________**, 20**.

☐ **Monthly Payments.** Payment of $______________________ due on the _____ day of each month, beginning __________________**, 20** and ending __________________**, 20**.

☐ **Quarterly Payments.** Payment of $______________________ due on ______________________ of each quarter, beginning __________________**, 20** and ending __________________**, 20**.

☐ **Lump Sum Payment.** The entire Amount Owed shall be paid in full on _________________, **20**.

☐ **Other Schedule:** ____

Total Number of Payments: _____
Final Payment Date: _________________, **20**

VIII. PAYMENT METHOD & INSTRUCTIONS

The Debtor shall make all payments to the Creditor using the following method(s): *(check all that apply)*

☐ Bank Transfer/Wire Transfer to:
Account Name: _____________________
Bank Name: _____________________
Account Number: _____________________
Routing Number: _____________________

☐ Check/Money Order payable to: _____________________
Mailed to: ____

☐ Cash payments delivered to:
____

☐ Online Payment Platform: _____________________

☐ Automatic ACH Debit Authorization (requires separate form)

☐ Credit/Debit Card

☐ Other: ____

IX. LATE PAYMENT PROVISIONS

If the Debtor fails to make any payment within **_____ days** of the due date, it shall be considered late. *(check one)*

☐ **Late Fee Applies.** The Debtor shall be charged a late fee of:

☐ $_____________________ (flat fee)

☐ _____% of the missed payment amount

☐ Other: _____________________________________

☐ **No Late Fee.** No late fee shall be charged for late payments.

Grace Period: The Debtor shall have _____ days after the due date before a payment is considered late.

X. PREPAYMENT

If the Debtor makes a payment before the scheduled due date or pays off the balance early: *(check one)*

☐ **Prepayment Penalty Applies.**

☐ Interest must still be paid as if payments were made on schedule

☐ Penalty fee of: ______________________________________

☐ Other: ______________________________________

☐ **No Prepayment Penalty.** The Debtor may prepay any amount without penalty. Prepayments shall be applied to: *(check one)*

☐ Principal balance first

☐ Interest first, then principal

☐ Pro-rata to principal and interest

XI. SECURITY/COLLATERAL

As part of this Agreement, the Debtor agrees to: *(check one)*

☐ **Pledge Security.** The Debtor pledges the following as collateral to secure this debt:

("Collateral" or "Security")

In the event of default, the Creditor shall have the right to: *(check one)*

- ☐ Take possession of the Collateral in its entirety without crediting the amount owed
- ☐ Take possession of the Collateral and sell it, applying proceeds to the amount owed
- ☐ Other: ______________________________________

☐ **Not Pledge Security.** This Agreement is unsecured and not backed by any collateral.

XII. DEFAULT

The Debtor shall be in default of this Agreement if any of the following occur:

a) Failure to make any payment within _____ days of the due date;

b) Breach of any term or condition of this Agreement;

c) Filing for bankruptcy or insolvency;

d) Transfer or sale of pledged collateral without Creditor's written consent;

e) Providing false or misleading information in connection with this Agreement.

XIII. ACCELERATION CLAUSE

Upon default, the Creditor shall have the right to:

☐ **Declare Immediate Payment.** Declare the entire unpaid balance, including all accrued interest and fees, immediately due and payable.

☐ **Provide Notice.** Provide the Debtor with _____ days written notice to cure the default before declaring the entire balance due.

☐ **Continue Under Original Terms.** Continue under the original payment schedule despite default.

XIV. REMEDIES UPON DEFAULT

In the event of default, the Creditor may pursue any or all of the following remedies:

a) Demand immediate payment of the entire outstanding balance;

b) Take possession of any pledged collateral;

c) Report the default to credit reporting agencies;

d) Initiate legal proceedings to collect the debt;

e) Seek reimbursement for all collection costs, including reasonable attorney fees, court costs, and collection agency fees;

f) Pursue any other legal remedies available under applicable law.

The rights and remedies of the Creditor shall be cumulative and may be pursued separately, successively, or concurrently at the sole discretion of the Creditor.

XV. WAIVERS BY DEBTOR

The Debtor and any co-signers, guarantors, endorsers, or sureties hereby waive:

a) Presentment for payment;

b) Notice of dishonor;

c) Protest;

d) Notice of acceleration;

e) Notice of intent to demand payment.

All parties agree to remain bound for payment of principal, interest, and all other amounts due under this Agreement notwithstanding any extensions, modifications, releases, or substitutions of security that the Creditor may grant.

XVI. SUBORDINATION

The Debtor's obligations under this Agreement are subordinated to all existing indebtedness owed by the Debtor to unrelated third-party creditors to the extent such indebtedness is outstanding on the date of this Agreement and subordination is required under those loan documents.

XVII. RELEASE AND INDEMNIFICATION

By entering into this Payment Plan, the Creditor agrees to release the Debtor from any previous claims, demands, or causes of action related to the debt described in Section III, provided that:

a) The Debtor is not released from the obligation to pay the Amount Owed according to the terms of this Agreement;

b) The release is contingent upon the Debtor's full compliance with this Agreement;

c) Any breach of this Agreement shall void this release and reinstate all previous claims.

The Debtor agrees to indemnify and hold harmless the Creditor from any claims arising from the Debtor's breach of this Agreement.

XVIII. DISPUTE RESOLUTION

In the event of any dispute arising from this Agreement: *(check one)*

☐ **Mediation Required.** The Parties agree to first attempt resolution through mediation before pursuing legal action.

☐ **Arbitration Required.** The Parties agree to submit disputes to binding arbitration under the rules of: ____

☐ **Legal Action.** Either Party may pursue legal action in a court of competent jurisdiction.

Attorney's Fees: In any legal proceeding to enforce this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, court costs, and collection expenses from the non-prevailing party, not to exceed **_% of the outstanding balance or $**__________________, whichever is less.

XIX. REPRESENTATIONS AND WARRANTIES

Both Parties represent and warrant that:

a) They have full authority to enter into this Agreement;

b) Execution of this Agreement does not violate any other agreement to which they are a party;

c) All information provided in connection with this Agreement is true and accurate;

d) They are not under any legal disability that would prevent them from being bound by this Agreement.

XX. NOTICES

All notices required under this Agreement shall be in writing and delivered to:

Creditor:
Name: ______________________
Address: ____
Email: ______________________
Phone: ______________________

Debtor:
Name: ______________________
Address: ____

Email: ______________________
Phone: ______________________

Notices shall be deemed delivered when: *(check one)* ☐ Hand-delivered
☐ Sent by certified mail, return receipt requested
☐ Sent by email with confirmation of receipt
☐ Other: _______________________________________

XXI. AMENDMENTS AND MODIFICATIONS

This Agreement may only be amended or modified by a written document signed by both Parties. No oral modifications shall be valid or enforceable.

XXII. SEVERABILITY

If any provision of this Agreement is found to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect. The invalid provision shall be modified to the minimum extent necessary to make it valid and enforceable while preserving the Parties' original intent.

XXIII. WAIVER

The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver of that provision or the right to enforce it in the future. Any waiver must be in writing and signed by the Party granting the waiver.

XXIV. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of ______________________, without regard to its conflict of law provisions.

XXV. JURISDICTION AND VENUE

The Parties consent to the exclusive jurisdiction of the courts located in ______________________ County, State of ______________________ for any legal proceedings arising from this Agreement.

XXVI. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

Assignment: *(check one)*

☐ The Creditor may assign this Agreement without Debtor's consent
☐ The Creditor may not assign this Agreement without Debtor's written consent
☐ Neither Party may assign this Agreement without the other's written consent

XXVII. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the Parties regarding the subject matter herein and supersedes all prior negotiations, representations, agreements, and understandings, whether written or oral. No representations, warranties, or agreements have been made except as expressly set forth in this Agreement.

XXVIII. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Electronic signatures shall have the same legal effect as original signatures.

XXIX. ACKNOWLEDGMENT

Both Parties acknowledge that:

a) They have read and understand all terms of this Agreement;

b) They have had the opportunity to seek independent legal counsel;

c) They are entering into this Agreement voluntarily and without duress;

d) They understand their rights and obligations under this Agreement.

XXX. EXECUTION

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CREDITOR/LENDER

Signature: ______________________________
Print Name: ______________________________
Date: ______________________________
Title (if applicable): ______________________________

DEBTOR/BORROWER

Signature: ______________________________
Print Name: ______________________________
Date: ______________________________
Social Security Number (optional): ______________________________
Driver's License Number (optional): ______________________________