



# BUSINESS LOAN AGREEMENT TEMPLATE

*(For Example Purposes Only – Consult an Attorney Before Use)*

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## BUSINESS LOAN AGREEMENT

This Business Loan Agreement (“Agreement”) is made as of \_\_\_\_\_, **20**\_\_, by and between:

**Lender:**

Name: \_\_\_\_\_

Business Name (if applicable): \_\_\_\_\_

Address: \_\_\_\_\_

AND

**Borrower:**

Legal Business Name: \_\_\_\_\_

Entity Type (LLC, Corp, etc.): \_\_\_\_\_

State of Formation: \_\_\_\_\_

Address: \_\_\_\_\_

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## 1. LOAN TERMS

### 1.1 Loan Amount

Lender agrees to lend Borrower the principal sum of:

\$\_\_\_\_\_ (“Loan”)

### 1.2 Purpose of Loan

Borrower shall use the Loan for the following business purpose:

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### 1.3 Disbursement

The Loan will be disbursed as follows:

- Lump sum
- Installments (describe schedule): \_\_\_\_\_

Disbursement Date: \_\_\_\_\_

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## 2. INTEREST & REPAYMENT

### 2.1 Interest Rate

The Loan shall bear interest at a rate of:

\_\_\_\_\_ % **per year**

Interest shall be calculated on a 365-day year basis.

### 2.2 Payment Schedule

Borrower shall repay the Loan in:

- Monthly payments
- Quarterly payments
- Other: \_\_\_\_\_

Each payment amount: \$ \_\_\_\_\_

First payment due: \_\_\_\_\_

Final payment due (Maturity Date): \_\_\_\_\_

### 2.3 Method of Payment

Payments shall be made via:

- Check
- ACH transfer
- Wire transfer
- Other: \_\_\_\_\_

### 2.4 Prepayment

Borrower:

- May prepay without penalty
- May prepay with penalty of \_\_\_\_\_%
- May not prepay without Lender's consent

## 2.5 Late Payments

If a payment is more than \_\_\_\_\_ days late, Borrower shall pay:

- Late fee of \$\_\_\_\_\_ or \_\_\_\_\_% of the missed payment
  - Default interest rate of \_\_\_\_\_% per year
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## 3. SECURITY (IF APPLICABLE)

- This Loan is unsecured.
  - This Loan is secured by the following collateral:
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Borrower grants Lender a security interest in the listed collateral until the Loan is fully repaid.

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## 4. REPRESENTATIONS & WARRANTIES

Borrower represents that:

1. The business is validly organized and in good standing.
  2. The person signing this Agreement has authority to do so.
  3. Financial information provided to Lender is accurate and complete.
  4. The business is not currently involved in litigation that would materially affect repayment.
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## 5. BORROWER COVENANTS

Borrower agrees to:

- Operate the business in compliance with applicable laws
  - Maintain appropriate insurance
  - Maintain accurate financial records
  - Notify Lender of any material change in financial condition
  - Not take on additional debt above \$\_\_\_\_\_ without Lender consent (if applicable)
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## **6. EVENTS OF DEFAULT**

The following constitute a default:

1. Failure to make a payment within \_\_\_\_\_ days of due date
  2. Bankruptcy or insolvency
  3. Material misrepresentation in this Agreement
  4. Breach of any covenant that remains uncured for \_\_\_\_\_ days
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## **7. REMEDIES UPON DEFAULT**

If default occurs, Lender may:

- Declare the entire remaining balance immediately due
- Enforce collateral rights (if secured)
- Pursue legal remedies permitted by law

All rights are cumulative and not exclusive.

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## **8. CONFIDENTIALITY**

Each party agrees to keep confidential any non-public business information received in connection with this Agreement, except as required by law.

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## 9. INDEMNIFICATION

Borrower agrees to indemnify and hold Lender harmless from losses arising from Borrower's breach of this Agreement.

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## 10. GOVERNING LAW

This Agreement shall be governed by the laws of the State of \_\_\_\_\_.

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## 11. ENTIRE AGREEMENT

This Agreement represents the entire agreement between the parties and supersedes all prior discussions or agreements.

Amendments must be in writing and signed by both parties.

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## 12. SIGNATURES

### LENDER

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title (if applicable): \_\_\_\_\_

Date: \_\_\_\_\_

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### BORROWER

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_