

# Sample Personal Loan Agreement Letter

This Personal Loan Agreement ("Agreement") is entered into on October 15, 2024, by and between John Smith, residing at 123 Elm Street, Cityville ("Lender"), and Jane Doe, residing at 456 Oak Avenue, Townsville ("Borrower").

**1. Loan Amount and Purpose** The Lender agrees to provide the Borrower with a loan of \$5,000. The Borrower acknowledges receipt of this amount and agrees to repay it as outlined below.

**2. Repayment Schedule** The Borrower agrees to repay the loan in 24 monthly installments of \$220.91 each. The first payment is due on November 15, 2024, and subsequent payments will be due on the 15th of each month until the loan is fully repaid.

**3. Interest and Fees** The loan will accrue interest at an annual rate of 8%, calculated monthly. Late payments will incur a fee of \$25 per occurrence.

**4. Default Clause** If the Borrower fails to make payments for three consecutive months, the entire remaining balance will become immediately due.

**5. Governing Law** This Agreement is governed by the laws of the State of California.

## Signatures

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

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