

# Interest-Free Loan Agreement Draft

## Parties

This Interest-Free Loan Agreement ("Agreement") is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between:

**Lender:** \_\_\_\_\_, residing at \_\_\_\_\_

**Borrower:** \_\_\_\_\_, residing at \_\_\_\_\_

### 1. Loan Amount

The Lender agrees to loan the Borrower the principal sum of \$\_\_\_\_\_ ("Loan Amount"), receipt of which the Borrower acknowledges.

### 2. Interest

This loan is provided on an interest-free basis. No interest will accrue or be payable by the Borrower.

### 3. Repayment Terms

The Borrower agrees to repay the Loan Amount in full on or before \_\_\_\_\_, 20\_\_\_\_ ("Repayment Date").

— Alternative or additional repayment schedule:

- Installment Amount: \$\_\_\_\_\_
- Frequency: \_\_\_\_\_
- First Payment Due: \_\_\_\_\_
- Final Payment Due: \_\_\_\_\_

### 4. Prepayment

The Borrower may prepay any portion of the Loan Amount at any time without penalty.

### 5. Default

If the Borrower fails to repay the Loan Amount as specified, the Lender reserves the right to take any lawful action to recover the outstanding balance.

### 6. Miscellaneous

- (a) This Agreement constitutes the entire understanding between the parties.
- (b) Any amendments must be made in writing and signed by both parties.
- (c) This Agreement shall be governed by the laws of the State of \_\_\_\_\_.

---

Lender Name & Signature

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

---

Borrower Name & Signature

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