

# 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: \_\_\_\_\_