Loan Agreement

1. Parties, place and date of execution

KNOW ALL MEN BY THESE PRESENTS:

This Loan Agreement (the "Agreement") is made and entered into at **[Place of signing (city or municipality): _____]**, Philippines, on **[Date of signing: _____]** (the "Execution Date"), by and between:

1.1 **Lender. [Lender's full name: _____]**, [Lender's description: _____], with residence or principal office at [Lender's address: _____], Taxpayer Identification Number [Lender's TIN: _____], email [Lender's email for notices: _____] (the "Lender", which term includes the Lender's heirs, executors, administrators, successors and permitted assigns);

1.2 **Borrower. [Borrower's full name: _____]**, [Borrower's description: _____], with residence or principal office at [Borrower's address: _____], Taxpayer Identification Number [Borrower's TIN: _____], email [Borrower's email for notices: _____] (the "Borrower", which term includes the Borrower's heirs, executors, administrators, successors and permitted assigns, but only to the extent of any estate they receive from the Borrower).

1.3 **Parties.** The Lender and the Borrower are each a "Party" and together the "Parties". If a Guarantor signs this Agreement under Clause 15, the Guarantor is a party for the purposes of Clauses 15, 19, 20, 21, 28, 29 and 30.

1.4 **Capacity.** Each Party who is an individual declares that he or she is of legal age, is of sound mind, is not under guardianship or civil interdiction, and enters into this Agreement freely. Each person who signs for a corporation, partnership, cooperative or other entity declares that he or she is authorised to bind it by a board resolution, secretary's certificate, partnership resolution or special power of attorney, and will give the other Party a certified copy of that authority on or before the Execution Date.

1.5 **Relationship.** The Parties deal with each other as lender and borrower only. Their relationship outside this Agreement is: [Relationship between the parties: _____]. Nothing in this Agreement makes the Parties partners, joint venturers, co-owners, principal and agent, or employer and employee, and the Lender receives no share of the Borrower's profits or business in return for the Loan.

1.6 **Change of details.** Each Party will tell the other in writing within ten (10) days of any change of name, address, email, bank account or civil status. Until that notice is received, a notice or payment sent to the last details given is validly sent.

2. Recitals and purpose of the loan

WITNESSETH: That

2.1 **Request.** The Borrower has asked the Lender for a loan of money for the purpose stated in Clause 2.3, and the Lender has agreed to lend that money on the terms and conditions of this Agreement.

2.2 **Nature of the loan.** The Parties intend this transaction to be a simple loan of money (mutuum). The Lender delivers money to the Borrower, the Borrower becomes the owner of the money

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delivered, and the Borrower binds himself or herself to pay back to the Lender an equal amount of the same kind, together with the interest agreed in writing in Clause 7.

2.3 **Purpose.** The Borrower has asked for the Loan for the following purpose: [Purpose of the loan: _____] (the "Purpose").

2.4 **Not a gift or investment.** The money is lent, not donated, and is not a capital contribution, an investment in the Borrower's business, or an advance against any sale. The Borrower must repay it whatever the outcome of the Purpose.

2.5 **Reliance.** The Lender has agreed to lend in reliance on the representations, warranties and undertakings of the Borrower in this Agreement, and the Borrower acknowledges that the Lender would not lend without them.

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants below, the Parties agree as follows:

3. Definitions and interpretation

3.1 **Defined terms.** In this Agreement:

(a) "**Banking Day**" means a day other than a Saturday, Sunday or public holiday on which banks are open for business in [Place of signing (city or municipality): _____];

(b) "**Collateral**" means the property, if any, described in Schedule B, together with its accessories, improvements, proceeds and replacements;

(c) "**Default Notice**" means a written notice under Clause 19.2 that identifies an Event of Default;

(d) "**Event of Default**" means any of the events listed in Clause 19.1;

(e) "**Guarantor**" means the person, if any, named in Clause 15.1;

(f) "**Loan**" means the principal amount stated in Clause 4.1, or so much of it as is released and remains unpaid;

(g) "**Loan Documents**" means this Agreement, the Promissory Note, any Security Document, any post-dated checks issued under Clause 13, and any receipt or written acknowledgment signed under this Agreement;

(h) "**Maturity Date**" means [Maturity date (last payment): _____], or any earlier date on which the Outstanding Amount becomes due under Clause 20;

(i) "**Outstanding Amount**" means, at any time, the unpaid principal of the Loan, accrued and unpaid interest, any penalty under Clause 12, and all costs and other amounts payable by the Borrower under the Loan Documents;

(j) "**Payment Date**" means each date on which an installment falls due under Schedule A;

(k) "**Promissory Note**" means the promissory note in the form of Schedule C signed by the Borrower;

(l) "**Release Date**" means the date on which the Lender delivers the Loan to the Borrower under Clause 4.3;

(m) "**Security Document**" means any deed of real estate mortgage, security agreement over personal property, or other document creating security for the Loan, as identified in Clause 14.

3.2 **Interpretation.** In this Agreement: headings are for convenience only; the singular includes the

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plural and the masculine includes the feminine; "including" means "including without limitation"; a reference to a Clause or Schedule is to a clause of or schedule to this Agreement; a reference to a law includes that law as amended or replaced; and a period of days is counted in calendar days unless Banking Days are stated.

3.3 **Amounts in words and figures.** Where an amount is written in words and in figures and the two differ, the amount in words prevails.

3.4 **Schedules.** The Schedules form part of this Agreement. If a Schedule conflicts with the body of this Agreement, the body prevails, except that the installment amounts and dates in Schedule A prevail over a general description of them.

4. Loan amount, currency and release

4.1 **Principal.** The Lender agrees to lend to the Borrower the principal sum of **[Loan amount in words: _____] (PHP [Loan amount in figures: _____])** (the "Loan").

4.2 **Currency.** The Loan is lent, and every payment under this Agreement must be made, in Philippine Pesos. If, for any reason outside the Parties' control, payment in Philippine Pesos becomes impossible, the Borrower will pay in the currency that is then legal tender in the Philippines.

4.3 **Release.** Subject to Clause 5, the Lender will deliver the Loan to the Borrower on **[Release date of the money: _____]**, or on any other date the Parties agree in writing, by the following method: [How the money is released: _____], to the Borrower's account [Borrower's account for the release: _____]. The Lender will not release the Loan in cash unless the Borrower signs a separate receipt in the form of Part 1 of Schedule D at the moment of delivery.

4.4 **Perfection of the loan.** The Parties acknowledge that the Lender's promise in Clause 4.1 binds the Lender once this Agreement is signed, but that the loan itself is perfected only on delivery of the money. Interest under Clause 7 therefore runs only on amounts actually delivered and only from the date of delivery.

4.5 **Ownership of the money.** On delivery, the Borrower becomes the owner of the money lent and bears all risk of its loss, theft or depreciation. The Borrower's obligation to repay an equal amount is not reduced by anything that happens to the money after delivery.

4.6 **Receipt.** The Borrower will sign the acknowledgment of receipt in Part 1 of Schedule D on the Release Date. A bank confirmation showing that the funds were credited to the account in Clause 4.3 is also conclusive proof of delivery.

4.7 **Deductions from proceeds.** The Lender will not deduct any interest in advance, service charge, processing fee or other amount from the proceeds, except: [Deductions from the proceeds: _____]. Any amount deducted counts as part of the finance charge for the purposes of Clause 8.

4.8 **Lapse.** If the conditions in Clause 5 are not met or waived within thirty (30) days after the Execution Date, either Party may end the Lender's commitment to lend by written notice, without liability to the other, and Clauses 21, 28, 29 and 30 continue to apply.

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5. Conditions to release

5.1 **Conditions.** The Lender is not obliged to release the Loan until the Lender has received, in form and substance reasonably satisfactory to it:

(a) this Agreement and the Promissory Note, signed by the Borrower and, where applicable, by the Guarantor and the Borrower's spouse;

(b) a copy of at least one current government-issued photo identification of each individual Party and Guarantor, and, for an entity, its certificate of registration, articles or partnership papers and the authority referred to in Clause 1.4;

(c) where Clause 14 provides for security, the signed Security Document, together with the owner's duplicate certificate of title, tax declaration, or other ownership document for the Collateral, and proof that the Security Document has been or will be lodged for registration;

(d) where Clause 13 applies, the post-dated checks described in that Clause;

(e) where Clause 8 applies, the disclosure statement signed by the Borrower as received; and

(f) any other document listed here: [Other conditions before release: _____].

5.2 **Continuing truth.** It is a further condition that, on the Release Date, the representations in Clause 16 are true and no Event of Default has occurred or would result from the release.

5.3 **Waiver of conditions.** The Lender may waive any condition in writing, in whole or in part. A condition waived for the release is not waived for any later purpose unless the waiver says so.

5.4 **No loan before delivery.** Until the Lender delivers the money, no loan exists and no interest accrues, even if the Borrower has signed the Promissory Note or delivered post-dated checks. If the Loan is never released, the Lender will return the Promissory Note and every post-dated check to the Borrower within five (5) Banking Days.

6. Use of proceeds

6.1 **Permitted use.** The Borrower will use the Loan only for the Purpose stated in Clause 2.3.

6.2 **Prohibited use.** The Borrower will not use any part of the Loan for any purpose that is contrary to law, morals, good customs, public order or public policy, including gambling not licensed by the government, the purchase of prohibited goods, or the payment of any obligation arising from a crime.

6.3 **Evidence of use.** On reasonable written request, and not more than twice in a calendar year, the Borrower will give the Lender receipts, invoices or other reasonable evidence that the Loan has been used for the Purpose.

6.4 **Effect of misuse.** The Lender is not responsible for how the Borrower uses the Loan and does not supervise the Purpose. Use of the Loan for a purpose other than the Purpose is an Event of Default under Clause 19.1(e) only if it is a breach of an undertaking on which the Lender relied in granting the term.

7. Interest

7.1 **Written stipulation of interest.** The Borrower will pay interest on the unpaid principal of the Loan at the rate of **[Interest rate in words and figures: _____]** (the "Interest Rate"). The Parties expressly agree on this Interest Rate in writing. If this Clause states "none", "0%" or is left without a rate, the Loan bears no interest, and only Clause 12 and the law on damages for delay

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apply after a default.

7.2 **Simple interest only.** Interest is simple interest computed on the unpaid principal only. Interest that falls due and is unpaid does not itself earn interest, and is not added to principal, unless the Parties later agree in a separate writing, signed by both, to capitalise a stated amount of unpaid interest. This does not affect interest that the law allows on interest due after it has been judicially demanded.

7.3 **Accrual and day count.** Interest accrues from day to day from the Release Date until the principal is paid in full. Interest is computed on the actual number of days elapsed over a year of three hundred sixty-five (365) days. The day the money is delivered bears interest; the day it is repaid does not.

7.4 **Payment of interest.** Accrued interest is payable on each Payment Date together with the installment of principal shown in Schedule A, or, if Schedule A shows a single payment, on the Maturity Date.

7.5 **Fixed rate.** The Interest Rate is fixed for the whole term of the Loan. The Lender may not increase it on its own, by notice or by reference to any external rate, unless both Parties sign a written amendment under Clause 32.

7.6 **Effective annual rate.** Where the Interest Rate is stated per month, the Parties have also computed the equivalent simple annual rate and recorded it in Schedule A, so that both Parties see the yearly cost of the Loan.

7.7 **Fairness of the rate.** The Parties have discussed and freely agreed the Interest Rate. Each Party considers it fair having regard to the amount, the term, the risk and any security given. The Borrower confirms that the Borrower was not under pressure or urgent need that the Lender used to obtain the rate. The Parties acknowledge that a court may void or reduce a rate it finds iniquitous or unconscionable, and Clause 33.2 then applies.

7.8 **No hidden charges.** No fee, commission, discount, service charge or other payment, by whatever name, is payable to the Lender in connection with the Loan, other than the interest in this Clause, the penalty in Clause 12, the costs in Clauses 21 and 23, and any deduction listed in Clause 4.7. The Parties confirm that no part of this Agreement is a device to charge a higher return than the Interest Rate stated.

7.9 **Statement of account.** On written request, and in any case once each calendar year in January, the Lender will give the Borrower a statement showing the principal released, the payments received, the interest accrued and the Outstanding Amount. Unless the Borrower disputes it in writing within thirty (30) days after receiving it, the statement is evidence of the amounts shown, without prejudice to proof of error.

8. Truth in Lending disclosure

8.1 **Status of the Lender.** The Lender declares that the Lender **[Lender's lending status: _____]**.

8.2 **Disclosure statement.** If the Lender is engaged in the business of extending credit, including by making loans as a regular business practice, the Lender has given the Borrower, before the signing of this Agreement, a clear written statement setting out at least: (a) the cash price or delivered price of the property or service acquired, if any; (b) the amounts credited as down payment or trade-in, if any; (c) the difference between (a) and (b); (d) the charges, individually itemised, that are paid or to be paid in connection with the transaction but are not incident to the extension of credit; (e) the total

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amount to be financed; (f) the finance charge expressed in pesos and centavos; and (g) the percentage that the finance charge bears to the total amount financed, expressed as a simple annual rate on the outstanding unpaid balance.

8.3 **Acknowledgment.** By signing this Agreement, the Borrower acknowledges that the Borrower received and read the disclosure statement before signing, and that a copy signed by the Borrower as received is attached to the Lender's original of this Agreement.

8.4 **Consistency.** If the disclosure statement and this Agreement differ, the term more favourable to the Borrower applies. The Lender will not charge any finance charge that was not disclosed.

8.5 **Lending company status.** If the Lender is a lending company, the Lender declares that it is a corporation holding a certificate of authority to operate as a lending company issued by the Securities and Exchange Commission, and will give the Borrower a copy of that certificate on request. If the Lender is a lending company or a financing company, the Lender further confirms that the Interest Rate, all fees and charges and the penalty in Clause 12 comply with the ceilings on interest rates and other fees that the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission prescribe for the Loan, including those under BSP Circular No. 1133 (2021), Sec. 1, and that any amount above those ceilings is not payable.

8.6 **Private lender.** If the Lender is an individual or entity that does not lend as a business and this is an isolated loan, Clauses 8.2 to 8.5 do not apply, and the Lender is under no obligation to give a disclosure statement. The Borrower may nevertheless ask the Lender to confirm in writing the total interest payable over the term, which the Lender will do within seven (7) days.

9. Repayment schedule and maturity

9.1 **Repayment.** The Borrower will repay the principal of the Loan, with interest under Clause 7, in **[Number of installments: _____]** installments of **PHP [Amount of each installment: _____]** each, payable on **[Payment day: _____]**, starting on **[First payment date: _____]**, as set out in Schedule A, so that the whole Outstanding Amount is paid by the Maturity Date.

9.2 **Final installment.** The last installment is the amount needed to pay the Outstanding Amount in full, even if it differs from the regular installment amount because of rounding, late payments or partial prepayments.

9.3 **Non-Banking Days.** If a Payment Date falls on a day that is not a Banking Day, the payment is due on the next Banking Day, and interest accrues for the extra days.

9.4 **Term for the benefit of both Parties.** The Parties agree that the repayment period has been set for the benefit of both the Lender and the Borrower. The Lender cannot demand payment before a Payment Date except under Clause 20, and the Borrower can pay before a Payment Date only as Clause 11 allows.

9.5 **Restructuring.** Any change to the amounts, dates or number of installments must be in a written amendment signed by the Parties and, if there is a Guarantor, by the Guarantor. An oral promise to wait, or the Lender's acceptance of a late payment, does not change Schedule A.

9.6 **Payment in full.** On payment of the Outstanding Amount in full, the Lender will within ten (10) Banking Days: (a) issue a final receipt and a certificate of full payment; (b) return the original Promissory Note marked "paid" and any unused post-dated checks; and (c) sign and deliver any release or cancellation of each Security Document needed to clear the title or registry, at the Borrower's cost of registration.

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10. Place and mode of payment

10.1 **Place and mode.** The Borrower will pay each amount due to the Lender's account [Lender's account for payments: _____], or by any other mode the Lender designates in writing at least ten (10) days before the Payment Date. The Borrower may pay in cash at the Lender's address in Clause 1.1 only against an official or signed receipt issued on the spot.

10.2 **When a payment is made.** A payment is made when the funds are credited to the Lender's account and are available to the Lender. Delivery of a check, promissory note, bill of exchange or other mercantile document is payment only when it has been cashed, or when its value has been impaired through the Lender's fault.

10.3 **Receipts.** The Lender will issue a written or electronic receipt for each payment within three (3) Banking Days, stating the date, amount, mode and how the payment was applied, and will record it in Part 2 of Schedule D.

10.4 **Application of payments.** Each payment is applied in this order: first to costs payable under Clauses 21 and 23, then to any penalty under Clause 12, then to accrued interest, and last to principal. Principal is not treated as paid until the interest then due has been covered. If the Borrower owes the Lender more than one debt, the Borrower may state at the time of payment which debt the payment is applied to; if the Borrower does not, the application stated in the Lender's receipt binds the Borrower unless the Borrower objects in writing within seven (7) days of receiving it.

10.5 **Reservation of earlier amounts.** The Lender's acceptance of a payment of principal, or of a later installment, does not mean that earlier interest or earlier installments have been paid. The Lender reserves all earlier unpaid amounts, and the Lender's receipt will say so whenever an earlier amount remains unpaid.

10.6 **Refusal of payment.** If the Lender refuses, without just cause, to accept a payment properly tendered under this Agreement, or cannot be found, the Borrower may release himself or herself by consigning the amount with the proper court, after giving the Lender the notice the law requires.

10.7 **No set-off.** The Borrower will pay every amount in full, without set-off, counterclaim or deduction, unless the law requires a deduction. If a tax must be withheld from a payment of interest, the Borrower will withhold and remit it, give the Lender the certificate of tax withheld, and the amount withheld counts as paid to the Lender.

10.8 **Value of the peso.** The Parties agree that every amount under this Agreement is paid at its face value in Philippine Pesos. Should an extraordinary inflation or deflation of the peso occur, the Parties expressly agree that the amounts due are not adjusted to the value of the peso on the Execution Date.

11. Prepayment

11.1 **Right to prepay.** The Lender grants the Borrower the right to prepay the Loan, in whole or in part, before the Maturity Date. This right is a stipulation in the Borrower's favour, made because the repayment period is otherwise presumed to benefit both Parties.

11.2 **Notice.** The Borrower will give the Lender at least **[Notice for prepayment (days): _____]** days' written notice of a prepayment, stating the amount and date.

11.3 **Charge.** A prepayment carries the following charge: **[Prepayment charge: _____]** . No other fee or premium is payable on prepayment.

11.4 **Interest on prepayment.** On a prepayment, the Borrower pays the principal prepaid, interest

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accrued on it up to the date of prepayment, and any amount then overdue. No interest is payable for the period after the prepayment on the amount prepaid.

11.5 **Partial prepayment.** A partial prepayment is applied under Clause 10.4 and then to the installments of principal in inverse order of maturity, so that the last installments are reduced first, unless the Parties agree in writing to reduce each remaining installment instead. The Lender will give the Borrower an updated Schedule A within ten (10) Banking Days.

11.6 **No re-borrowing.** An amount prepaid cannot be borrowed again under this Agreement.

12. Late payment penalty and default interest

12.1 **Grace period.** A payment received within **[Grace period (days): _____]** days after its Payment Date is not late for the purposes of this Clause, but interest under Clause 7 continues to accrue.

12.2 **Penalty.** If any amount is not paid by the end of the grace period, the Borrower will pay a penalty on the overdue amount at the rate of **[Late payment penalty: _____]**, computed from the Payment Date until the overdue amount is paid. The penalty is in addition to the regular interest under Clause 7, and the Parties agree that it does not replace the Lender's right to recover the Outstanding Amount and the costs in Clause 21.

12.3 **Demand.** The penalty under Clause 12.2 runs from the Payment Date because the Parties expressly agree that no further demand is needed for an installment that is unpaid on a date fixed in Schedule A. For every other amount, the Borrower is in delay only from the date the Lender makes a judicial or written extrajudicial demand.

12.4 **No interest-free loan in default.** If the Loan bears no interest under Clause 7.1, and no penalty is stated in Clause 12.2, the Borrower will pay damages for delay at the legal rate of interest from the date of the Lender's demand.

12.5 **Reduction by the court.** The Parties acknowledge that a court will reduce the penalty equitably if the Borrower has partly or irregularly performed, and may reduce it if it is iniquitous or unconscionable. A reduction of the penalty does not affect any other term of this Agreement.

12.6 **Interest on interest judicially demanded.** Interest that is due and has been judicially demanded earns interest at the legal rate from the date of that demand, even though this Agreement does not otherwise compound interest.

12.7 **Not a waiver.** Charging or accepting a penalty does not mean the Lender agrees to late payment and does not waive any Event of Default.

13. Promissory note and post-dated checks

13.1 **Promissory Note.** On or before the Release Date, the Borrower will sign and deliver to the Lender a Promissory Note for the principal of the Loan in the form of Schedule C. The Promissory Note is issued under this Agreement and evidences the same debt; payment of either is payment of both to the same extent. The Promissory Note states the Interest Rate so that it is expressly stipulated in writing in both documents.

13.2 **Post-dated checks.** If this Clause applies, the Borrower will deliver to the Lender on or before the Release Date **[Post-dated checks: _____]**, drawn on the Borrower's own account, each dated on a Payment Date and in the amount of the installment due on it. If this Clause does not apply, it says "not applicable".

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13.3 **Funding the account.** The Borrower will keep enough funds in the drawee account to pay each check in full when presented on or after its date. The Borrower will not close the account, stop payment on a check, or change the authorised signatory while any check remains unpaid.

13.4 **Dishonour.** If a check is dishonoured for any reason, the Lender will give the Borrower written notice of the dishonour. The Borrower will pay the amount of the check in cash or cleared funds, or make arrangements with the Lender for its full payment, within five (5) Banking Days after receiving that notice, together with any bank charges the Lender incurred.

13.5 **Replacement.** At the Borrower's written request, the Lender may accept replacement checks or a direct bank transfer in place of a check that has not yet been presented. The Lender will return the replaced check within five (5) Banking Days after the replacement clears.

13.6 **Checks not a waiver.** Delivery of post-dated checks does not extend any Payment Date, does not change the order of application in Clause 10.4, and does not limit the Lender's civil remedies for the debt.

13.7 **Borrower informed.** The Borrower acknowledges being informed that issuing a check that is dishonoured for insufficient funds can lead to criminal liability under the law on bouncing checks, and that this liability is separate from the civil debt under this Agreement.

14. Security

14.1 **Type of security.** The Loan is secured by: **[Security for the loan: _____]**. If this states "none", the Loan is unsecured and Clauses 14.2 to 14.9 do not apply.

14.2 **Collateral.** The Collateral is described in Schedule B. The Borrower, or the third-party owner who signs Schedule B, is the absolute owner of the Collateral, free of any lien or encumbrance other than those disclosed in Schedule B.

14.3 **Real estate mortgage.** Where the Collateral is land, a building or another immovable, the owner will execute a separate Deed of Real Estate Mortgage in favour of the Lender in a public document acknowledged before a notary public. The Lender, at the cost stated in Clause 23, will present it for registration with the Registry of Deeds where the property is located and annotate it on the certificate of title. Until it is registered, the mortgage binds the Parties but may not bind third persons.

14.4 **Personal property security.** Where the Collateral is movable property, such as a vehicle, equipment, inventory, receivables or deposit accounts, the grantor will sign a written security agreement that describes the Collateral and the obligations secured. The grantor has been given, and has accepted or declined in writing, the option to have the security agreement and any notice under it in Filipino. The Lender may perfect its security interest by registering a notice in the electronic registry of the Land Registration Authority, by possession, or by control, as the law allows for the type of Collateral, and the grantor authorises that registration.

14.5 **Care of the Collateral.** The owner will keep the Collateral in good condition, insure it for its full insurable value against fire, theft and other usual risks with the Lender named as loss payee or mortgagee, pay all real property taxes, fees and charges on it when due, and not sell, lease, transfer or further encumber it without the Lender's written consent.

14.6 **Inspection.** The Lender may inspect the Collateral at reasonable times after giving at least three (3) days' notice.

14.7 **Impairment.** If the Collateral is lost, destroyed or materially impaired, or its title is challenged, the Borrower will tell the Lender within five (5) days and, within thirty (30) days of the Lender's

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written request, give substitute security of equal value acceptable to the Lender. Failure to do so is an Event of Default under Clause 19.1(d).

14.8 **Enforcement.** On an Event of Default that is not cured, the Lender may enforce the security only by the procedures that the law allows for the type of Collateral, including judicial or extrajudicial foreclosure of a real estate mortgage under a special power stated in the Deed of Real Estate Mortgage, and disposition of personal property Collateral after the notices the law requires. The Lender will not appropriate the Collateral or keep it as payment unless the law allows it and the proper procedure has been followed.

14.9 **Repossession of movables.** Where the Collateral is movable property, the grantor agrees that, after an Event of Default, the Lender may take possession of the Collateral without court action, but only if this can be done without breach of the peace. If the grantor objects or possession cannot be taken peacefully, the Lender will apply to the court.

14.10 **Surplus and deficiency.** Any surplus from the enforcement of the security, after payment of the Outstanding Amount and the costs of enforcement, belongs to the owner of the Collateral. The Borrower remains liable for any deficiency, unless the law provides otherwise for the type of security enforced.

15. Guarantor or surety

15.1 **Guarantor. [Guarantor's full name: _____]**, [Guarantor's description: _____], residing at [Guarantor's address: _____] (the "Guarantor"), signs this Agreement as **[Guarantor or surety: _____]**. If this Clause states "none", no Guarantor is party to this Agreement and Clauses 15.2 to 15.8 do not apply.

15.2 **Guaranty.** If the Guarantor signs as guarantor, the Guarantor binds himself or herself to pay the Outstanding Amount to the Lender if the Borrower fails to do so. The Lender may require the Guarantor to pay only after the Lender has exhausted all the property of the Borrower and has resorted to all legal remedies against the Borrower, unless the law excuses the Lender from doing so.

15.3 **Suretyship.** If the Guarantor signs as surety, the Guarantor binds himself or herself solidarily with the Borrower. The Lender may then demand the whole Outstanding Amount from the Borrower, the Guarantor, or both, at the same time or one after the other, and need not first proceed against the Borrower or the Collateral.

15.4 **Extent.** The Guarantor's liability covers the principal, interest, penalty, and costs of collection under this Agreement, but not any increase in the principal or the Interest Rate agreed after the Execution Date without the Guarantor's written consent.

15.5 **Extensions.** The Lender will not grant the Borrower any extension of a Payment Date or of the Maturity Date without the Guarantor's written consent. The Parties acknowledge that an extension granted without that consent releases the Guarantor.

15.6 **Notice to the Guarantor.** The Lender will send the Guarantor a copy of every Default Notice and of any demand made on the Borrower at the same time it is sent to the Borrower.

15.7 **Subrogation.** A Guarantor who pays the Lender is subrogated to the Lender's rights against the Borrower and in the Collateral, to the extent of the payment, once the Lender has been paid in full.

15.8 **Writing and signature.** The Guarantor's undertaking is made in this written Agreement and is signed by the Guarantor on the signature page and on each page of this Agreement.

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16. Borrower representations and warranties

16.1 **Representations.** The Borrower represents and warrants to the Lender, on the Execution Date and again on the Release Date, that:

(a) the Borrower has full legal capacity to enter into and perform the Loan Documents and, if an entity, is duly organised and registered, and has taken all corporate or partnership action needed to authorise the Loan;

(b) the Loan Documents are the Borrower's legal, valid and binding obligations;

(c) signing and performing the Loan Documents does not breach any law, court order, contract or other obligation binding on the Borrower or any of the Borrower's property;

(d) the Borrower is not insolvent, has not filed for and is not the subject of any rehabilitation, insolvency or liquidation proceeding, and no such proceeding is threatened;

(e) no lawsuit, administrative case or claim is pending or, to the Borrower's knowledge, threatened against the Borrower that could materially affect the Borrower's ability to repay the Loan, except: [Pending claims against the borrower: _____];

(f) all information the Borrower has given the Lender about the Borrower's identity, income, assets, debts and the Purpose is true, complete and not misleading;

(g) where Collateral is given, the statements in Clause 14.2 are true; and

(h) where the Borrower is married and the Collateral or the repayment source is conjugal or community property, the Borrower's spouse knows of and consents to this Agreement and signs it to show that consent.

16.2 **Reliance and survival.** The Lender lends in reliance on these representations. They survive the release of the Loan. If any of them proves to have been materially untrue when made, that is an Event of Default under Clause 19.1(c).

17. Lender representations

17.1 **Representations.** The Lender represents and warrants to the Borrower, on the Execution Date and on the Release Date, that:

(a) the Lender has full legal capacity and authority to enter into and perform this Agreement;

(b) the money lent belongs to the Lender, comes from a lawful source, and is free of any claim of a third person;

(c) if the Lender is a lending company, it holds a current certificate of authority to operate from the Securities and Exchange Commission, and if it is another entity in the business of lending, it holds every licence that the law requires for that business; and

(d) the Lender has disclosed to the Borrower every charge it will collect in connection with the Loan, as listed in Clauses 4.7, 7 and 12.

17.2 **Fair collection.** The Lender will collect the Loan only by lawful means. The Lender will not use threats, violence, obscene or insulting language, or public disclosure of the Borrower's debt to persons other than the Guarantor, the Borrower's spouse, and the Lender's own lawyers and advisers, and will not contact the Borrower's employer, relatives or contacts about the debt without the Borrower's written consent.

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17.3 **Confidentiality and personal data.** The Lender will keep the Borrower's personal and financial information confidential and use it only to administer, enforce or assign the Loan, except where the law or a court requires disclosure.

18. Borrower covenants

18.1 **Positive undertakings.** Until the Outstanding Amount is paid in full, the Borrower will:

(a) pay every amount on its due date in the manner set out in Clause 10;

(b) use the Loan only for the Purpose;

(c) tell the Lender in writing within ten (10) days of any event that is, or with notice or time would become, an Event of Default, and of any lawsuit, garnishment or levy against the Borrower involving more than **PHP [Amount of claims the borrower must report: _____]**;

(d) where the Borrower is an individual who depends on employment or business income to repay, tell the Lender within ten (10) days if that income stops or is reduced by more than half;

(e) keep any Collateral, insurance and post-dated checks in place as required by Clauses 13 and 14; and

(f) give the Lender, within fifteen (15) days of written request, reasonable information about the Borrower's financial condition.

18.2 **Negative undertakings.** Until the Outstanding Amount is paid in full, the Borrower will not, without the Lender's prior written consent:

(a) sell, donate, mortgage or otherwise dispose of or encumber any Collateral;

(b) where the Borrower is an entity, merge, consolidate, dissolve, or sell all or substantially all of its assets;

(c) leave the Philippines to reside abroad, or move the Borrower's residence or principal office, without giving the Lender at least thirty (30) days' written notice of the new address; or

(d) transfer or conceal property for the purpose of avoiding payment of the Loan.

18.3 **Undertakings on which the term is granted.** The Parties agree that the Lender grants the repayment period in Schedule A in consideration of, among others, the undertakings in Clauses 14.5, 14.7, 18.1(e) and 18.2(a) and (d).

19. Events of default, notice and cure

19.1 **Events of Default.** Each of the following is an Event of Default:

(a) **Non-payment.** The Borrower fails to pay any installment or other amount within **[Days after due date before non-payment is a default: _____]** days after its due date;

(b) **Dishonoured check.** A post-dated check delivered under Clause 13 is dishonoured and the Borrower does not pay or arrange payment of it within five (5) Banking Days after notice under Clause 13.4;

(c) **Misrepresentation.** A representation in Clause 16 was materially untrue or misleading when made;

(d) **Security.** The Borrower fails to deliver the security promised in Clause 14, or, by the Borrower's own act, impairs it or lets it diminish, or fails to replace Collateral that is lost or destroyed as Clause

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14.7 requires;

(e) **Other breach.** The Borrower breaches any other term of the Loan Documents, including an undertaking referred to in Clause 18.3, and, if the breach can be remedied, does not remedy it within fifteen (15) days after a Default Notice;

(f) **Insolvency.** The Borrower becomes insolvent, admits in writing an inability to pay debts as they fall due, makes a general assignment for the benefit of creditors, or a rehabilitation, insolvency or liquidation proceeding is started by or against the Borrower and, if started by another person, is not dismissed within sixty (60) days, unless the Borrower gives a guaranty or security for the debt acceptable to the Lender;

(g) **Absconding.** The Borrower attempts to abscond, or leaves the Philippines to reside abroad without notice under Clause 18.2(c) and without leaving a representative to receive notices and pay installments; or

(h) **Guarantor.** Any Guarantor dies, becomes insolvent or disputes the guaranty, and the Borrower does not provide a replacement guarantor or security acceptable to the Lender within thirty (30) days after written request.

19.2 **Default Notice and cure.** Except for the events in Clauses 19.1(f) and (g), before taking any step under Clause 20 the Lender will send the Borrower, and any Guarantor, a written Default Notice by a method in Clause 28. The Default Notice will identify the Event of Default, state the amount then overdue, and give the Borrower at least fifteen (15) days from receipt to cure it by paying the overdue amount with accrued interest and penalty, or by remedying the breach.

19.3 **Effect of cure.** If the Borrower cures the Event of Default within the cure period, the Loan continues under Schedule A as if the Event of Default had not occurred, except that the penalty accrued under Clause 12 remains payable.

19.4 **Demand.** A Default Notice is also the Lender's extrajudicial demand on the Borrower for the purposes of the law on delay and on the interruption of prescription. The Parties do not otherwise waive the requirement of demand for amounts not yet due.

19.5 **Repeated default.** If the Borrower has received two (2) Default Notices for non-payment within any twelve (12) month period, the Lender need not give a cure period for a third non-payment in the same period, but must still give a written demand before acting under Clause 20.

20. Acceleration and remedies

20.1 **Acceleration.** If an Event of Default is not cured within the cure period, or is one of the events in Clauses 19.1(f) and (g), the Lender may, by written notice to the Borrower, declare the whole Outstanding Amount immediately due and payable. The Borrower then loses the benefit of the repayment period, and the Outstanding Amount bears interest at the Interest Rate and the penalty under Clause 12 until paid.

20.2 **Loss of term by law.** Independently of Clause 20.1, the Borrower loses every right to make use of the repayment period in each case where the law provides, including when the Borrower becomes insolvent without giving a guaranty or security for the debt, fails to furnish the guaranties or securities promised, impairs the security by the Borrower's own acts, violates an undertaking in consideration of which the Lender agreed to the period, or attempts to abscond.

20.3 **Remedies.** After acceleration, the Lender may, in any order and at the same time:

(a) sue for the Outstanding Amount, after the barangay conciliation required by Clause 29.2, if any;

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(b) enforce any Security Document under Clause 14.8;

(c) proceed against the Guarantor under Clause 15; and

(d) present any post-dated check and pursue any remedy the law provides on its dishonour.

20.4 **Co-borrowers.** If more than one person signs as Borrower, each of them is liable **[Liability of co-borrowers: _____]**. If this Clause states "solidarily", the Lender may demand the whole Outstanding Amount from any one or more of them; if it states "jointly" or is left blank, each Borrower is liable only for that Borrower's equal share.

20.5 **Remedies cumulative.** The Lender's rights under this Clause are cumulative and in addition to every right the law gives. Enforcing one remedy does not prevent the Lender from enforcing another, but the Lender may not recover more than the Outstanding Amount and the costs allowed by Clause 21.

20.6 **No imprisonment for debt.** Nothing in this Agreement allows the Lender to have the Borrower arrested or detained for non-payment of the debt itself.

21. Costs of collection and attorney's fees

21.1 **Costs of collection.** If the Lender must engage a lawyer to collect any amount due after an Event of Default that is not cured, or to enforce any Loan Document in court or in a foreclosure, the Borrower will pay the Lender, as attorney's fees, **[Attorney's fees on collection: _____]** , together with the actual costs of suit, filing fees, sheriff's fees, publication costs and other reasonable expenses of collection that the Lender proves.

21.2 **Reasonable amount.** The Parties have agreed the attorney's fees in Clause 21.1 as a reasonable estimate. They acknowledge that a court may reduce attorney's fees, like a penalty, if it finds them iniquitous or unconscionable.

21.3 **Lender's fault.** The Borrower does not pay any cost caused by the Lender's own breach of this Agreement, by a claim that the Lender loses, or by collection steps that this Agreement or the law does not allow.

21.4 **Borrower's costs.** If the Lender sues and the court finds that the Borrower was not in default, the Lender will pay the Borrower's reasonable attorney's fees and costs of suit.

22. Indemnity

22.1 **Indemnity by the Borrower.** The Borrower will indemnify the Lender against any loss, liability or reasonable cost that the Lender suffers as a direct result of: (a) a material misrepresentation in Clause 16; (b) a claim by a third person that the Borrower's use of the Loan or of the Collateral infringes that person's rights; or (c) any tax, fine or charge payable on the Collateral that the Borrower failed to pay.

22.2 **Indemnity by the Lender.** The Lender will indemnify the Borrower against any loss, liability or reasonable cost that the Borrower suffers as a direct result of the Lender's breach of Clause 17.2 or 17.3.

22.3 **Limits.** Neither Party is liable to the other under this Agreement for indirect or consequential loss, or for loss of profit, except in the case of fraud, bad faith or wilful misconduct. Nothing in this Clause limits the Borrower's obligation to pay the Outstanding Amount.

22.4 **Procedure.** A Party claiming under this Clause will notify the other promptly in writing, give

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reasonable details of the claim, and not settle a third-party claim without the other Party's written consent, which may not be unreasonably withheld.

23. Documentary stamp tax, notarial and registration costs

23.1 **Documentary stamp tax.** The documentary stamp tax due on this Agreement and on the Promissory Note will be paid by **[Who pays documentary stamp tax: _____]**, who will pay it to the Bureau of Internal Revenue within the period the law requires and give the other Party proof of payment. The Parties understand that the tax is computed on the principal amount and that only one documentary stamp tax applies to this Agreement, the Promissory Note and any Security Document securing the same Loan.

23.2 **Short loans.** If the term of the Loan is less than one year, the Parties will compute the documentary stamp tax in proportion to the term in days over three hundred sixty-five (365) days, as the law provides.

23.3 **Notarial and registration costs.** Notarial fees for this Agreement and any Security Document, registration fees with the Registry of Deeds or the Land Registration Authority, and the costs of certified true copies and annotations, will be paid by **[Who pays notarial and registration fees: _____]**. The costs of registering a release or cancellation of security on payment in full are paid by the Borrower.

23.4 **Other taxes.** Each Party pays its own income tax. If the law requires the Borrower to withhold tax on interest, Clause 10.7 applies. The Parties will each confirm their tax treatment of interest with the Bureau of Internal Revenue or a tax adviser, and no Party relies on the other for tax advice.

23.5 **Failure to pay.** If the Party responsible for a tax, fee or cost under this Clause does not pay it when due, the other Party may pay it and recover the amount from the responsible Party on demand. If the Borrower is the responsible Party, the amount is added to the Outstanding Amount and bears interest at the Interest Rate from the date the Lender paid it.

24. Acknowledgment of debt and prescription

24.1 **Written acknowledgment.** The Borrower acknowledges that the Borrower owes the Lender the Outstanding Amount from time to time under this Agreement.

24.2 **Balance confirmation.** Within fifteen (15) days of receiving each yearly statement under Clause 7.9, the Borrower will sign and return the balance confirmation in Part 3 of Schedule D, or state in writing why the Borrower disputes the statement. Each signed confirmation is a written acknowledgment of the debt by the Borrower.

24.3 **Interruption of prescription.** The Parties acknowledge that the period within which the Lender may sue on this written Agreement is interrupted by the filing of a case in court, by a written extrajudicial demand by the Lender, and by any written acknowledgment of the debt by the Borrower, including a signed balance confirmation.

24.4 **Records.** Each Party will keep its original of this Agreement, the receipts and the confirmations for at least ten (10) years after the Outstanding Amount is paid in full or the last acknowledgment is signed, whichever is later.

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25. Death or incapacity

25.1 **Death of the Borrower.** The Borrower's death does not extinguish the Loan. The Outstanding Amount is a claim against the Borrower's estate, and the Lender may file it in the settlement of the estate or recover it from the heirs to the extent of the property they receive from the Borrower, but not from the heirs' own property.

25.2 **Notice.** The Borrower's heirs or estate administrator will tell the Lender of the Borrower's death within thirty (30) days, and the Lender will not demand payment from the estate before sixty (60) days after the death, except to file a claim within any period the law fixes.

25.3 **Incapacity.** If the Borrower becomes incapacitated, the Borrower's guardian or attorney-in-fact may perform the Borrower's obligations, and the Lender will deal with that person on presentation of proof of authority.

25.4 **Insurance.** If the Borrower has obtained life or credit insurance with the Lender named as beneficiary for the Outstanding Amount, any proceeds paid to the Lender are applied to the Outstanding Amount under Clause 10.4, and any excess is paid to the Borrower's estate.

25.5 **Death of the Lender.** The Lender's death does not end the Loan. The Borrower will continue to pay to the Lender's estate administrator or heirs once they show proof of their authority, and until then the Borrower may continue to pay into the account in Clause 10.1 or consign the payment.

26. Force majeure

26.1 **Payment not excused.** The Parties agree that no fortuitous event, natural calamity, epidemic, war, government action or other event beyond a Party's control excuses the Borrower from paying any amount of money under this Agreement, although the Parties may agree a new Schedule A under Clause 32 if such an event occurs.

26.2 **Other obligations.** A Party prevented from performing an obligation other than payment by such an event is not in breach for as long as the event continues, if that Party tells the other Party in writing within seven (7) days of the event and takes reasonable steps to limit its effect.

26.3 **Calamity relief.** If a government law or issuance grants borrowers a grace period or moratorium on loan payments because of a calamity or emergency, the Parties will apply it to this Loan to the extent it covers private loans of this kind, and will sign an updated Schedule A.

27. Assignment

27.1 **Borrower.** The Borrower may not assign or transfer any right or obligation under this Agreement without the Lender's prior written consent.

27.2 **Lender.** The Lender may assign its rights under this Agreement, the Promissory Note and any Security Document to another person by a written deed of assignment, after giving the Borrower and any Guarantor at least fifteen (15) days' written notice that names the assignee and the account for future payments.

27.3 **Payments before notice.** A payment the Borrower makes to the Lender in good faith before receiving the notice in Clause 27.2 discharges the Borrower to the extent of the payment.

27.4 **Same terms.** An assignee takes the Lender's rights subject to every term of this Agreement and to every defence the Borrower had against the Lender before the notice of assignment. The assignment does not increase the Borrower's obligations.

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28. Notices

28.1 **Form.** Every notice, demand, consent or other communication under this Agreement must be in writing and in English or Filipino.

28.2 **Delivery.** A notice may be delivered: (a) by hand, against a signed receipt; (b) by registered mail with return card; (c) by reputable private courier with proof of delivery; or (d) by email to the address in Clause 1, if the sender keeps a copy and, for a Default Notice or a demand, also sends it by one of methods (a) to (c).

28.3 **When received.** A notice is received: by hand, on delivery; by registered mail or courier, on the date shown on the return card or proof of delivery, or, if delivery is refused, on the date of refusal; and by email, at the time it enters the recipient's mailbox, if sent on a Banking Day before 5:00 p.m. Philippine time, and otherwise on the next Banking Day.

28.4 **Addresses.** Notices go to the addresses in Clause 1, and to the Guarantor at the address in Clause 15.1, unless a Party gives a new address under Clause 1.6.

28.5 **Demand by notice.** A Default Notice, an acceleration notice or a written demand for payment sent under this Clause is an extrajudicial demand on the Borrower.

29. Dispute resolution and venue

29.1 **Amicable settlement.** If a dispute arises under this Agreement, the Parties will first try in good faith to settle it by direct discussion within fifteen (15) days after one Party notifies the other of the dispute.

29.2 **Barangay conciliation.** Where the Parties are individuals who actually reside in the same city or municipality, or the law otherwise requires it, no Party will file a complaint in court on a dispute within the authority of the Lupong Tagapamayapa until the dispute has been brought before the Punong Barangay or the Pangkat ng Tagapagkasundo and a certificate to file action has been issued, unless the law exempts the dispute.

29.3 **Venue.** Subject to Clause 29.2 and to the Rules of Court, any court action arising from this Agreement will be filed only in the proper courts of **[City for court cases: _____]**, to the exclusion of other venues the Rules of Court would otherwise allow. This exclusive venue does not apply to a foreclosure that must be filed where the Collateral is located.

29.4 **Small claims.** Nothing in this Clause prevents a Party from filing a claim under the court rules for small claims or expedited procedures where the amount and the rules allow.

29.5 **Continuing obligations.** While a dispute is pending, the Borrower will continue to pay every amount that is not in dispute.

30. Governing law

30.1 **Governing law.** This Agreement and every Loan Document are governed by the laws of the Republic of the Philippines.

30.2 **Binding effect.** The obligations in this Agreement have the force of law between the Parties and must be complied with in good faith.

30.3 **Language.** This Agreement is written in English. If a Party asks for a Filipino translation, the Parties may sign one, and, for a security agreement over personal property where the grantor chose Filipino, the Filipino version prevails as to the security agreement.

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31. Waiver and cumulative remedies

31.1 **No waiver by delay.** A failure or delay by a Party in exercising a right under this Agreement does not waive that right, and a single or partial exercise of a right does not prevent its further exercise.

31.2 **Acceptance of late or partial payment.** The Lender's acceptance of a late, partial or irregular payment, or of a payment of principal while interest is unpaid, does not waive the unpaid amounts, the Event of Default or the Lender's rights, if the Lender's receipt reserves them as Clause 10.5 requires.

31.3 **Written waiver.** A waiver is effective only if it is in writing, signed by the Party giving it, and only for the specific instance and purpose stated.

31.4 **Cumulative rights.** The rights and remedies in this Agreement are cumulative and do not exclude any right or remedy provided by law.

32. Amendment

32.1 **Written amendment.** This Agreement, the Promissory Note and Schedule A may be amended only by a written instrument signed by the Lender and the Borrower and, for any change that increases the Guarantor's risk or extends the time for payment, by the Guarantor.

32.2 **Notarisation of amendments.** An amendment that changes the principal, the Interest Rate, the Maturity Date or the Collateral will be acknowledged before a notary public, and any amendment to a registered Security Document will be presented for annotation on the same registry.

32.3 **No oral changes.** No oral agreement, course of dealing or message that is not signed as Clause 32.1 requires changes this Agreement.

33. Severability and lawful rate

33.1 **Severability.** If any term of this Agreement is held void, illegal or unenforceable, the remaining terms continue in full force, and the Parties will replace the invalid term with a valid term that comes closest to their original intent.

33.2 **Interest reduced to a lawful rate.** If a court finds the Interest Rate, the penalty or the attorney's fees in this Agreement iniquitous, unconscionable or otherwise contrary to law or morals, the Parties agree that: (a) only the offending stipulation is affected, and the Borrower's obligation to repay the principal remains valid and enforceable; (b) the amount is reduced to the rate or amount the court fixes; and (c) if the court fixes no rate for the interest, the legal rate of interest then in force applies to the Loan from the Release Date.

33.3 **No evasion.** The Parties confirm that they do not intend any term of this Agreement, or any related document, to disguise interest or to obtain from the Borrower a return higher than the one stated in Clause 7.

34. Entire agreement

34.1 **Entire agreement.** This Agreement, together with its Schedules and the other Loan Documents, is the entire agreement between the Parties about the Loan. It replaces every earlier proposal, letter, message or understanding, oral or written, about the Loan.

34.2 **No other promises.** Each Party confirms that it has not relied on any statement, promise or assurance that is not written in the Loan Documents.

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34.3 **Consistency.** If this Agreement and another Loan Document conflict, this Agreement prevails, except that a registered Security Document prevails on the procedure for enforcement of that security.

35. Counterparts and electronic signatures

35.1 **Originals.** This Agreement is signed in **[Number of originals: _____]** originals: one for each Party, one for any Guarantor, and one for the notary public's records, each of which is an original and all of which together are one instrument.

35.2 **Electronic documents and signatures.** The Parties agree that this Agreement, a receipt, a statement or a notice may be made as an electronic document and signed with an electronic signature, which has the same legal effect as a written document and a handwritten signature if the method used reliably identifies the signer and keeps the integrity of the document.

35.3 **Notarisation of electronic copies.** A version signed electronically may be notarised under the Rules on Electronic Notarization, in person or remotely, as those rules allow. A version signed with wet ink on paper is notarised before a notary public in person under the 2004 Rules on Notarial Practice.

35.4 **Copies.** A clear scanned or electronic copy of the signed and notarised Agreement may be used as a working copy, but each Party will keep its original.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and at the place first written above, and have signed the left margin of each page.

LENDER
Signature: .....
Name: [Lender's full name: _____]
Capacity (if signing for an entity): [Lender's signatory and capacity: _____]

BORROWER
Signature: .....
Name: [Borrower's full name: _____]
Capacity (if signing for an entity): [Borrower's signatory and capacity: _____]

WITH MARITAL CONSENT (if the Borrower is married; otherwise write "not applicable")
Signature: .....
Name of spouse: [Borrower's spouse: _____]

GUARANTOR (if any; write "none" where Clause 15.1 states "none")
Signature: .....
Name: [Guarantor's full name: _____]

SIGNED IN THE PRESENCE OF:

Signature: .....
Name: [First witness: _____]

Signature: .....
Name: [Second witness: _____]

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
[City or municipality of notarization: _____]) S.S.

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BEFORE ME, a Notary Public for and in [City or municipality of notarization: _____], on this ..... day of ....., 20...., personally appeared the following persons, each known to me or identified by me through competent evidence of identity, namely a current identification document issued by an official agency bearing the person's photograph and signature:

Name: [Lender's full name: _____] / Competent evidence of identity: [Lender's ID for notarization: _____]
Name: [Borrower's full name: _____] / Competent evidence of identity: [Borrower's ID for notarization: _____]
Name: [Guarantor's full name: _____] / Competent evidence of identity: [Guarantor's ID for notarization: _____]
Name: [Borrower's spouse: _____] / Competent evidence of identity: [Spouse's ID for notarization: _____]

who were personally present before me, signed the foregoing Loan Agreement, consisting of ..... pages including this page on which this Acknowledgment is written and the Schedules, signed on each page by them and their instrumental witnesses, and who acknowledged to me that they signed it voluntarily for the purposes stated in it, and that it is their free and voluntary act and deed and, where they sign for an entity, the free and voluntary act and deed of the entity they represent.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

.....
Notary Public
Commission No. ..... / valid until .....
Roll of Attorneys No. ..... / IBP No. ..... / PTR No. .....
Office address: .....

Doc. No. .....;
Page No. .....;
Book No. .....;
Series of 20.....

SCHEDULE A: AMORTIZATION SCHEDULE

Principal: **[Loan amount in words: _____] (PHP [Loan amount in figures: _____])**
Interest Rate: [Interest rate in words and figures: _____]
Equivalent simple annual rate (if the rate is stated per month): [Equivalent annual rate: _____]
Release Date: [Release date of the money: _____]
Number of installments: [Number of installments: _____]
Regular installment: PHP [Amount of each installment: _____], due on [Payment day: _____]
First Payment Date: [First payment date: _____]
Maturity Date: [Maturity date (last payment): _____]
Total interest payable over the term if every payment is made on time: PHP [Total interest over the term: _____]

For each installment, the Parties record: installment number; Payment Date; opening principal balance; interest portion; principal portion; total installment; closing principal balance; and the post-

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dated check number, if any.

Installment 1: .....
Installment 2: .....
Installment 3: .....
(continue for each installment up to the Maturity Date; the Parties initial each page of this Schedule)

The interest portion of each installment is computed under Clause 7.3. The final installment is adjusted under Clause 9.2.

Initials: Lender ..... Borrower ..... Guarantor .....

SCHEDULE B: DESCRIPTION OF COLLATERAL

Write "none" if the Loan is unsecured.

Part 1: Real property (if any)
Description, location and area: [Description of real property collateral: _____]
Transfer Certificate of Title or Condominium Certificate of Title No.: ..... of the Registry of Deeds of .....
Tax Declaration No.: .....
Registered owner: .....
Existing liens and encumbrances annotated on the title: [Existing liens on the title: _____]

Part 2: Personal property (if any)
Description (make, model, serial or chassis and engine numbers, plate number, or account details): .....
Certificate of Registration or other ownership document No.: .....
Location where the Collateral is kept: .....
Grantor's choice of language for the security agreement and notices: English / Filipino (circle one), initialled by the grantor: .....

Part 3: Third-party owner (if the Collateral is not owned by the Borrower)
Name and address of the owner: .....
Signature of the owner, consenting to the use of the property as security for the Loan: .....

Initials: Lender ..... Borrower ..... Owner .....

SCHEDULE C: FORM OF PROMISSORY NOTE

PROMISSORY NOTE

PHP [Loan amount in figures: _____]
[Place of signing (city or municipality): _____], [Date of signing: _____]

FOR VALUE RECEIVED, I, **[Borrower's full name: _____]**, of legal age, with address at [Borrower's address: _____], promise to pay to the order of **[Lender's full name: _____]**, at [Lender's account for payments: _____] or at such other place as the holder may designate in writing, the principal sum of **[Loan amount in words: _____] (PHP [Loan amount in figures: _____])**, Philippine currency, with interest at the rate of **[Interest rate in words and figures: _____]** on the unpaid principal from the date of release until fully paid, in [Number of installments: _____] installments of PHP [Amount of each installment: _____] each, payable on [Payment day: _____], beginning on [First payment date: _____], with the final

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installment due on [Maturity date (last payment): _____].

This Promissory Note is issued under the Loan Agreement between the maker and the payee dated [Date of signing: _____] (the "Loan Agreement"), and is subject to all its terms, including those on late payment penalty, default, acceleration after notice and cure, attorney's fees, prepayment and security. Payment of this note is payment under the Loan Agreement to the same extent.

Should the maker fail to pay any installment within the cure period under the Loan Agreement after written notice, the holder may declare the whole unpaid balance, with accrued interest, immediately due and payable.

.....
[Borrower's full name: _____], Maker

With marital consent: ..... [Borrower's spouse: _____]

Signed in the presence of:
..... [First witness: _____]
..... [Second witness: _____]

SCHEDULE D: RECEIPTS AND ACKNOWLEDGMENTS

Part 1: Acknowledgment of receipt of the Loan

I, [Borrower's full name: _____], acknowledge that I received from [Lender's full name: _____] the sum of [Loan amount in words: _____] (PHP [Loan amount in figures: _____]) on ..... by ..... (mode and reference number), as the Loan under the Loan Agreement dated [Date of signing: _____].
Signature: ..... Date: .....

Part 2: Payment log

For each payment, record: entry number; date received; amount; mode and reference or check number; amount applied to costs and penalty; amount applied to interest; amount applied to principal; principal balance after payment; any earlier amount reserved as unpaid; Lender's signature; Borrower's signature.

Entry 1: .....
Entry 2: .....
Entry 3: .....
(continue on additional sheets as needed, each signed by both Parties)

Part 3: Yearly balance confirmation

I, [Borrower's full name: _____], confirm that as of ..... I owe [Lender's full name: _____] under the Loan Agreement dated [Date of signing: _____] the following: principal PHP ....., accrued interest PHP ....., penalty PHP ....., total PHP .....
Borrower's signature: ..... Date: .....
Guarantor's signature (if any): ..... Date: .....

Part 4: Certificate of full payment

I, [Lender's full name: _____], certify that on ..... I received full payment of all amounts due under the Loan Agreement dated [Date of signing: _____], and I release [Borrower's full name: _____] and any Guarantor from all obligations under it.

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Signature: ..... Date: .....

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