

Simple Agreement Letter for Borrowing Money

Michael Johnson

789 Park Lane

Chicago, IL 60601

January 12, 2025

Emily Carter

321 Willow Street

San Francisco, CA 94101

Subject: Simple Agreement Letter for Borrowing Money

Dear Emily Carter,

This letter serves as an agreement between Michael Johnson (the Borrower) and Emily Carter (the Lender) regarding the loan of \$20,000 provided by Emily Carter to Michael Johnson for personal financial needs.

The terms of the agreement are as follows:

1. Emily Carter agrees to lend Michael Johnson the amount of \$20,000 on January 12, 2025.
2. Michael Johnson agrees to repay the loan amount in full within two years from the date of this agreement, i.e., by January 12, 2027.
3. The repayment will be made in 24 monthly installments of \$900, which includes an annual interest rate of 6%. The first payment is due on February 12, 2025.

4. Payments will be made via electronic transfer to the bank account specified by Emily Carter.
5. If a payment is late by more than 7 days, a penalty of \$150 will be added to the outstanding amount for each delayed installment.
6. If the Borrower fails to make payments for three consecutive months, the Lender has the right to demand immediate repayment of the entire remaining balance.
7. Both parties agree that this agreement is legally binding, and any disputes arising from it will be resolved under the jurisdiction of the state of Illinois.
8. The Borrower has the option to repay the full loan amount early without any additional prepayment penalties.

This agreement is effective from January 12, 2025, and will remain valid until the complete repayment of the loan amount, including interest and any applicable penalties.

Both parties confirm that they have read, understood, and agreed to the terms outlined in this letter.

Sincerely,

Michael Johnson

(Signature)

Emily Carter

(Signature)