

# LOAN AGREEMENT

## ACKNOWLEDGEMENT OF DEBT

entered into between:

\_\_\_\_\_  
("the Lender")

and

\_\_\_\_\_  
("the Borrower")

### 1 Amount of loan

The Lender hereby agrees to lend the sum of \_\_\_\_\_ to the Borrower on the terms set out hereunder.

### 2 Payment of loan to Borrower

It is agreed between the parties that payment of the loan amount will not be made to the Borrower before the expiry of three business days after the conclusion of the contract. During the said period of three business days the Borrower may terminate the contract at will. It is further agreed that the Lender shall not be entitled to interest for the period preceding the date upon which the money is paid to the Borrower.

### 3 Period of loan

This loan shall endure for a period of \_\_\_\_\_ months calculated from (date).

(In order to claim exemption from the Usury Act 73 of 1968 this number may not exceed 36 months).

### 4 Interest

The Borrower shall be obliged to pay interest at the rate of \_\_\_\_\_ (percentage) per annum, such interest to be paid together with the capital sum of the loan at the end of the loan period.

Or

The Borrower shall be obliged to pay interest at the rate of \_\_\_\_\_ (percentage) per annum, the interest and capital to be paid in equal monthly instalments of \_\_\_\_\_

### 5 Exceptio non numeratae pecuniae

The Borrower expressly renounces the benefits of the exceptio non numeratae pecuniae and confirms that he understands the meaning of this exception and the effect of its renunciation.

### 6 Place and time of repayment

If repayment is made by way of monthly instalments all payments must be made by the Borrower on or before the third business day of every month at

\_\_\_\_\_ (address of payment) or such other address as the Lender may at a later stage advise in writing.

7 Acceleration clause

If the Borrower fails to pay any instalment on due date the Lender shall be entitled but not obliged to claim the full balance of the loan together with interest up to the date of payment.

8 Waiver

No relaxation by the Lender of enforcing the acceleration clause at any stage shall amount to waiver of the Lender's rights in terms of that clause.

9 Prepayment by Borrower

The Borrower shall be entitled to pay larger instalments than prescribed or the full balance of capital and interest at any time prior to the prescribed dates of payment. In any such event interest shall be calculated up to the date of payment.

10 Breach of terms

If the Borrower fails to make payment of any instalment on due date and the Lender decides to enforce the acceleration clause, he shall first give written notice to the Borrower calling upon him or her to make payment within (number) days, failing which the Lender shall be entitled to claim payment of whatever is due in terms of this agreement by way of summons.

11 Insolvency

The full balance of the capital and interest shall become payable immediately upon sequestration of the Borrower's estate.

12 Security

This agreement is subject to the suspensive condition that the Borrower's obligations are secured by a surety who binds himself validly as surety and co-principal debtor.

13 The whole contract

The parties confirm that this contract contains the full terms of their agreement and that no addition to or variation of the contract shall be of any force and effect unless done in writing and signed by both parties.

14 Domicilium citandi et executandi

The parties choose as their domicilium citandi et executandi the following addresses:

The Lender \_\_\_\_\_

The Borrower \_\_\_\_\_

The Borrower shall be liable for the costs, if any, in respect of the drafting and execution of this contract.

Thus done and signed at \_\_\_\_\_ (place) on this \_\_\_\_\_ (day, month, year)

Witnesses:

1

2

(Signatures of witnesses)

(Signature of lender)

Thus done and signed at \_\_\_\_\_ (place) on this  
\_\_\_\_\_ (day, month, year)

Witnesses:

1

2

(Signatures of witnesses)

(Signature of borrower)