

Promissory Note

THIS FORM IS PROVIDED AS AN EXAMPLE AND IS NOT VALID AND ENFORCEABLE IN ALL JURISDICTIONS. LENDERS SHOULD CONSULT WITH LEGAL COUNSEL TO ENSURE THAT ALL FORMS USED TO ORIGINATE LOANS ARE APPROPRIATE AND THAT ALL LEGAL INSTRUMENTS ARE COMPLETED CORRECTLY AND IN COMPLIANCE WITH APPLICABLE LAW.

Meaning of Some Words. In this Promissory Note ("Note"), the words "you" and "your" mean anyone who signs this Note as a "Borrower," and the words "we," "us" and "our" means _____ <Lender> _____, its successors and assigns. Each Borrower who signs this Note is obligated, individually and together, to make all payments due and keep all of the other promises you make in this Note.

| | | | | |
|---|--|---|---|---------------------------|
| ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <p style="text-align: right;">%</p> | FINANCE CHARGE The dollar amount the credit will cost you. <p style="text-align: right;">\$</p> | Amount Financed The amount of credit provided to you or on your behalf. <p style="text-align: right;">\$</p> | Total of Payments The amount you will have paid after you have made all scheduled payments. <p style="text-align: right;">\$</p> | Date of this Note: |
|---|--|---|---|---------------------------|

"E" Means Estimate

Your Payment Schedule:

| Number of Payments | Amount of Payments | When Payments Are Due |
|--------------------|--------------------|-----------------------|
| | \$ | Monthly, beginning: |

Prepayment: If you pay off early, you will not have to pay a penalty.

Other Information: Refer to the rest of this Note for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

| | |
|---|---|
| ITEMIZATION OF AMOUNT FINANCED OF \$ _____ | Amount given to you directly: \$ _____ |
|---|---|

Promise To Pay And Payment Terms. You promise to pay us the principal amount of \$ _____ (the "Principal") plus interest. Interest will be computed and charged at the yearly rate of _____ % (the "Note Rate"). When we calculate interest, every year shall have 365 days. You promise to pay interest at the Note Rate on the unpaid Principal balance of this Note until it is paid in full.

You promise to pay Principal and interest by paying to us monthly payments in the number and amounts of payments shown in **Your Payment Schedule**. Your first payment will be due on the date shown in **Your Payment Schedule**, and subsequent payments will be due on the same day monthly after that. You will make each scheduled payment on or before its due date until you have paid in full the Principal and interest and any other charges that you may owe under this Note. We will apply each payment on the date we receive it. We will compute and charge interest from the date you make each payment to the date that you actually make your next payment, without regard to the date that you are scheduled to make your payments. Early payments may decrease the total amount of interest you must pay on this Note; late payments may increase the total amount of interest you must pay on this Note.

Unless we agree differently in writing, or the law requires otherwise, payments will be applied first to accrued unpaid interest, then to Principal, and last to any unpaid collection costs and late charges. If on _____, you still owe amounts under this Note, you will pay those amounts in full on that date (the "Maturity Date"). You will make all payments to us at any address which we specify in writing.

We do not intend to charge or collect any interest, charge, or fee that is more than the law allows. If we charge or collect any amount over what the law allows, we will apply the excess first to the Principal balance, and we will refund any excess if you have paid in full all amounts you owe under this Note. Any amount applied to Principal will be treated as a partial prepayment.

Your Right To Prepay. You have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "prepayment." When you make a prepayment, you will tell us in writing that you are doing so. You may make a full prepayment or partial prepayments without paying any prepayment charge. We will use all of your prepayments to reduce the amount of Principal that you owe under this Note. If you make a partial prepayment, there will be no changes in the due date or in the amount of your monthly payment unless we agree in writing to those changes.

Default. You will be in default if you fail to make any payment by its due date. If you are in default, we may require that you pay in full immediately the unpaid balance due on this Note.

Attorney's Fees. If you are in default, and we hire an attorney who is not our salaried employee to collect the balance due on this Note, you agree to pay our court costs and reasonable attorney's fees.

Waivers. You and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require us to demand payment of amounts due. "Notice of dishonor" means the right to require us to give notice to other persons that amounts due have not been paid.

YOU ACKNOWLEDGE THAT ON _____, YOU READ, SIGNED, AND RECEIVED A COPY OF THIS NOTE WITH ALL BLANKS COMPLETED.

Borrower

Borrower

Printed Name

Printed Name

| | | |
|---------------------------------------|-----------|------------|
| Pay to the order of <Loan Purchaser>. | | |
| Dated: _____ | | |
| _____ <Lender> | By: _____ | Its: _____ |

SAMPLE

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