AU-LDGloa14

Loan agreement: private borrower; secured on physical assets

Borrower: [Name]

Lender: [Name]

Date: [Date]

This agreement is dated	[date] • • • • • • • • • • • • • :			
[Name of lender] of [lende	r's full address] (■ ■ ■ ■ " ■ ■ ■ ")			
And				
[Name of borrower] of [bo	rrower's full address] (■ ■ ■ ■ " ■ ■ ■ ")			
And				
[Name of Guarantor] of [g	uarantor's full address], (■ ■ ■ ■ " ■ ■ ■ ")			
Background				
	ment is to set out the contractual terms under which the orrower will borrow the sum of the Initial Loan.			
It is now agreed as follow	ws:			
1. Definitions	Definitions			
In this agreement, t	In this agreement, the following words have the following meanings, $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$			
"Advance"	means a part of the Loan received by the ■ ■ ■ ■ ■			
"Basic Rate"	means Interest at the rate of [■ ■ ■ ■]% ■ ■ ■ ■ ■ ■			
"Concessionary Ra	te" means Interest at the rate of [• • • •]% • • • • • •			
"Financial Informati	on" means all information relating to the financial affairs of the Borrower including the Borrower's audited [consolidated] financial statement as on [date], consisting of an up-to-date balance sheet as on that date and a statement			

.................

"Initial Loan"

means the principal sum agreed to be lent $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$

'Loan"	means the total amount of money outstanding at any time and due
'Repayment"	means a sum paid by the Borrower to the Lender which has
'Security"	means any item whatever, tangible or intangible, taken as security ••••••••••••••••••••••••••••••••••••
'Default"	means one of the circumstances set out ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

2. Interpretation

In this agreement unless the context otherwise requires:

2.1	a reference to one gender shall include any or all genders and a reference to the singular may be interpreted •••••••••••••••••••••••••••••••••••
2.2	a reference to a person includes a human individual, a corporate entity and any organisation
2.3	a reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context • • • • • • • • • • • • • • • • • • •
2.4	the headings to the paragraphs and schedules (if any) to this agreement are inserted
2.5	any agreement by any party not to do or omit to do something includes an obligation not to allow some
2.6	[Except where stated otherwise], any obligation of any person arising from this ••••••••••••••••••••••••••••••••••••
2.7	a reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information, ■ ■ ■

3. Borrower's warranties

The Borrower represents and warrants that:

	·
3.1	he is not aware of anything, whether or not within his reasonable control, which might or will adversely
3.2	he is not insolvent and knows of no circumstance which would entitle any creditor to appoint a receiver or to petition for
3.3	the Financial Information fairly represents the financial state of his financial
3.4	the Financial Information has been prepared to conform with generally accepted accounting principles applied
0.5	the Democratic particular and applications.
3.5 3.6	the Borrower has no undisclosed contingent obligations. there are no material, ••••••••••••••••••••••••••••••••••••
3.7	the Borrower will advise the Lender
3.8	no litigation, arbitration proceedings or governmental proceedings are pending
3.9	none of the assets of the Borrower is subject

	3.10	the Borrower has filed all tax returns,
	3.11	the proceeds of the = = = = = = = = = = = = = = = = = = =
4.	The	Loan amount and Advances
	4.1	The Initial Loan is \$[amount].
	4.2	The Loan will be given in
	OR	
	4.3	The Loan will be drawn • • • • • • • • • • • • • • • • • • •
	OR	
	4.4	The initial Loan will be made only
	4.5	Before any new Advance is • • • • • • • • • • • • • • • • • •
		[specify information required].
5.	Sec	urity
	5.1	The Borrower pledges • • • • • • • • • • • • • • • • • • •
	5.2	The Securities are listed in Schedule 1 where each is marked • • • •
	5.3	Whilst any part of the Loan remains outstanding,
	5.4	If the Borrower is asked to transfer title in a

	5.5	If the transfer of title of any Security results in either any payment by, ■			
	5.6	The Borrower will take proper care of [each = = = = = = = = = = = = = = = = = = =			
	5.7	The Borrower will not lend or hire out any			
6.	Inte	erest payable			
	6.1	Interest at the			
	OR				
	6.2	Interest at the rate [number] per cent			
	6.3	Interest will be ■ ■ ■ [■ ■ ■] ■ ■ ■ ■ ■ ■ [■ ■ ■].			
	6.4				
	6.5	Interest will be calculated			
	AND	/ OR			
	6.6	If and so long as the Borrower complies			
7.	Rep	Repayment			
	7.1	The Loan will • • • • • • • • • • • • • • • • • •			
	OR				

7.2	The Loan will be • • • • • • • • • • • • • • • • • •
OR	
7.3	The Loan will be
	[list the trigger events, such as the level , ,]
7.4	The Loan may be repaid in
	7.4.1 in multiples of \$[number];
	7.4.2 a minimum of \$[number];
	7.4.3 applied to any instalments
7.5	The Borrower may, not more than once in every [two calendar months], demand a statement from the Lender
	•••••
7.6	All payments due to the Lender of both capital and interest must be paid ••••••••••••••••••••••••••••••••••••
7.7	The Borrower may repay all or part of the Loan before the due date for Repayment provided that not
	•••••

8. Event of Default

An "Event of Default" occurs when:

	8.1	the Borrower fails to pay in full and on the		
	8.2	a petition is presented • • • • • • • • • • • • • • • • • • •		
	8.3	one or more Security is dealt with		
	8.4	in the opinion of the Lender,		
9.	Noti	ce of Default		
	9.1	Where an Event of Default has occurred the Lender may issue a " • • • • • • • • • • • • • • • • • •		
	9.2	From the date when the Lender issues a Notice of Default,		
	9.3	Each Event of Default stands on its own,		
	9.4	When an Event of Default happens, the		
10.	Consequences of Default			
	10.1	At any time after issue of a valid Notice		
		10.1.1 asserting that the beneficial interest • • • • • • • • • • • • • • • • • • •		

		10.1.2	demanding that the Borrower transfer title in any
		10.1.3	disposing of any Security as • • • • • • • • • • • • • • • • • •
		10.1.4	taking physical possession of any item of Security. For this purpose the Borrower irrevocably agrees that the Lender and his agents may come on
	10.2	If the tr	ransfer of title to any Security results in any payment by , , , , , , , , , , , , , , , , , , ,
	10.3	All cost	ts whatever, arising out of the exercise = = = / = = = = = = = = = = = = = = =
	10.4	The Le	ender must make no profit or advantage out of the exercise
11.	Ass	ignme	ent
	11.1		
	11.2		
	11.3		

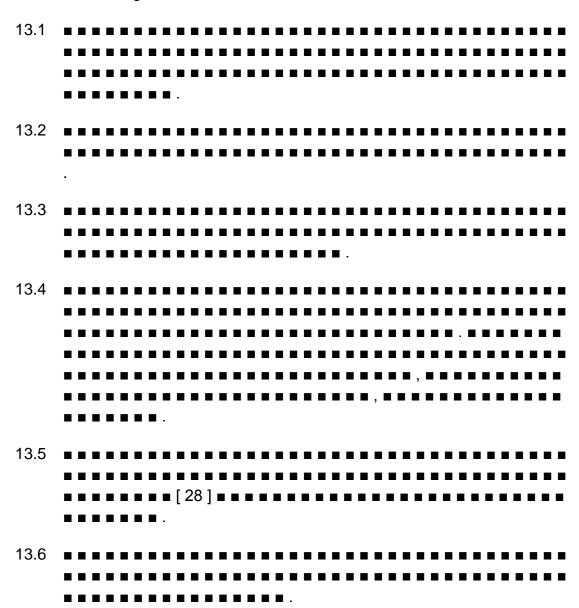


12. Promise to provide information



13. Guarantor

The Guarantor agrees:



14. Miscellaneous matters

14.1		
	,	
14.2		
14.2		
14.3		
444		
14.4	,	
		1
14.5		
	,	
	,	
14.6	1988,	
	(,	
	[/,[/	I
][
]	
	,	
14.7		
14.8		
	,	

```
14.9
 ...................................
 It is deemed to have been delivered:
   .......
   .............................
   ...: ... 72 ... ... ;
   .........................
   ..............................
   ............
   .............................
   \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare 1.
14.10
...................................
 ..............
 ..........
14.12
 ..............
 .............
 ---[----]----.
```

Signed by [personal name] on behalf of [named Lender] as its / its representative who personally accepts liability for the proper authorisation by [named Lender] to enter into this agreement.

Signed by [personal name] on behalf of [named Borrower] as its / its representative who personally accepts liability for the proper authorisation by [named Borrower] to enter into this agreement.

Signed by [name of Guarantor]

Schedule 1: the Securities

Schedule 2: Loan Repayment

Dates	Amount to paid		
dd-mm-yy	\$ xyz		

Schedule 3: exam	ple financial report	
•		

Explanatory notes:

Loan agreement: private borrower; secured on physical assets

General notes

You should consider registration of the debt as a "security interest". Registration of security interests protects you against your borrower's insolvency and preserves ■
And there are other benefits of registration. It can, for example, support your rights to continue your security interest in
Since 30 January 2012, the Personal Property Securities Act 2009 (PPS Act) has established a new system for the registration of security interests in personal property.
https://www.ppsr.gov.au/registrations
https://www.ppsr.gov.au/register-security-interests

Paragraph specific notes

Notes relating to the numbered paragraphs

1. Definitions

The definition of "Loan" includes all money outstanding, which may of course be
The definition of interest rates is important. It is not lawful to specify a
penalty" in any contract, no matter what you call it. A claimant is only ever
entitled to his "
The definition of interest rates is important. It is not lawful to specify a
penalty" in any contract, no matter what you call it. A claimant is only ever
entitled to his "
The definition of interest rates is important. It is not lawful to specify a
penalty interest". In this document we

The result is of course that the lender gets an additional 5% if he has the problems associated with a defaulting borrower. This could be challenged by

the borrower only if he could prove that the basic rate was a penalty rate. That would depend on all the circumstances, including the actual rates. In practice the fear of
•••••••
Interpretation
Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose.
Borrower's warranties
The lender will want to be certain that $\blacksquare \blacksquare \blacksquare$
The provision dealing with subsidiaries will prevent a subsidiary from finding a reason to upset the agreement, but will not necessarily make ••••••••••••••••••••••••••••••••••••
Note that there is an obligation by the Borrower to •••••••••••••••••••••••••••••••••••
The requirement to specify the purpose of the loan can be loose or
The Loan amount and Advances
This paragraph provides options for alternative payment arrangements. The Example 19 Example 29 Example
If the Lender requires further information, \blacksquare
A provision for scheduled repayments by date is usually the simplest to administer. If you go for other trigger events, they should be

5. Security

2.

3.

4.

We have no idea what securities will be lodged as security. Shares in a private company are usually evidenced by a certificate. Shares in public

	companies are
	••••••
	To strengthen the lender's position, we have provided for the possibility of securities being transferred into the name of the lender for the duration of the loan. This will not always be possible or practical. We have therefore also provided for the lender to be able
	If the security or part of it, is quoted publicly and falls
6.	Interest payable
	The provision for cumulation of interest should have careful attention, particularly if the interest rate is high. Cumulation has the effect of adding the interest to the capital, so that the
7.	Repayment
	We have provided a menu of suggestions. The actual terms
8.	Event of Default
	Provisions for "what happens if things go • • • • " • • • • • • • • • • • • • •
9.	Notice of Default
	No comment.
10.	Consequences of Default
	The last sub paragraph is the law.

11. Assignment

12.	Promise to provide information
	It is the lender's choice what information he requires. It
13.	Guarantor
	Delete if there is no • • • • • • • • • • • • • • • • • •
14.	Miscellaneous matters
	A number of matters each
	Schedule 1: the Securities
	List the securities • • • • , • • • • • • • • • • • • • •
	Schedule 2: Loan Repayment
	This covers the option mentioned in the agreement.
	Schedule 3: example financial report
	Delete if not required.

End of notes

No comment.