

Novation agreement: transfer debt to new creditor

This novation is dated: [date] :

[Name of Present Creditor] ('the)

whose registered office is at [address], []

And

[Name of New Creditor] ('the)

whose registered office is at [address], []

And

[Name of Debtor] ('the)

of / whose registered office is at [address], []

Background

The Debtor owes the Present Creditor the sum of A\$ [000] on the terms set out in a contract dated [date] (the "Contract"), a

The Present Creditor wants to re-

The parties have agreed to transfer the rights and obligations of the Present Creditor under the Contract to

The Debtor consents to the substitution of the New Creditor for

It is now agreed as follows:

1. Definitions

"Contracts" means the contracts described in the Schedule.

"Claim" means an existing dispute between the Contractor and his counter-

2. Novation

In consideration of the advantage each of the parties acknowledges he will receive by this agreement, [/]:

2.1. The New Creditor is substituted for the Present Creditor under the Contract as if the New Creditor

2.2. The New Creditor

2.3. The Debtor agrees to this

3. Changes to the Contract

3.1. Paragraph [number] of the

3.2. Paragraph [number] of [15] %.

3.3. Any reference in the Contract to the website "www.mybusinessmaycrash.com.au"

" " \$ [14 , 500]

3.4. [As additional consideration for this agreement, the Old Creditor will pay \$ [5 , 000] 1st 2000 31st 2099].

4. Indemnities

4.1. [The New Creditor agrees to indemnify the Debtor from all loss, damage, () ,

].

OR

- 4.2. [The Present Creditor agrees to indemnify the Debtor from all loss, damage, (,)].

AND / OR

- 4.3. The Debtor releases and discharges the Present Creditor from any and all claims, actions, , ()

5. Claims

- 5.1. The Present Creditor now transfers to the New Creditor and the New

, :

- 5.1.1 The New Creditor indemnifying the Present Creditor in respect of any ,

;

- 5.1.2 The Present Creditor shall account to the New

[] .

- 5.2. Nothing in this Agreement shall operate

.

6. Further assistance

Each of the parties undertakes to do , ,

.

7. Counterparts

This agreement may be executed in any number of counterparts

,

.

8. Entire understanding

This agreement contains the entire agreement between the parties and
supersedes all previous agreements and understandings between

,

,

,

.

9. Dispute resolution

,

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10. Publicity / Announcements

.

11. Miscellaneous matters

11.1. ,

.

11.2.

,

.

11.3.

11.4.

11.5.

11.6.

11.7.

[72]

[24]

11.8.

11.9.

[].

[] .

Signed by / on behalf of the named parties by their representatives who personally accept liability for the proper authorisation by their respective employer or principal to enter into this agreement.

OR

Signed by / on behalf of the first named party by its representative who personally accepts liability for the proper authorisation to enter into this agreement and by the second party personally / as a partner in [name of partnership].

For, and on behalf of []

print name

For, and on behalf of []

print name

The schedule: disputes between the Present Debtor and the Creditor

[

].

Explanatory notes:

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Paragraph specific notes:

Note: numbering refers to paragraph numbers.

2 It is important that the price (or “consideration”) for the deal can be expressed in some other way than cash. This acknowledgment that each party has received an advantage is sufficient to enable any party to sue on the agreement without it being signed as a deed. We advise that you do not edit this paragraph.

3 The deal resulting in the agreement may have other terms which should be included for the sake of completeness. Such terms may relate to the completion of a contract of service, or provision of goods or a change in the terms of debt.

At paragraph 3.3 and 3. 4

4 It is for you to negotiate who is to indemnify whom. First, ask yourself whether there is some known conflict or issue between any two of the parties. If yes, decide who is to carry the ongoing liability. Next, consider the type of contract and the value. If it is possible that there may be some liability appearing out of the woodwork, ask yourself who should pay for it.

The most common provision in a novation agreement is for the incomer to be

5 Existing claims can be covered in any way you wish. However, it would be unusual for a new creditor to step in and take over pre-existing liabilities without some financial benefit.

End of notes