**PROMISSORY NOTE**

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| --- | --- |
| Principal Amount: |  |
| Interest Rate: |  |
| Maturity Date: |  |

I/We, [INSERT THE NAME/NAMES OF THE DEBTOR/S], writes this letter to acknowledge the value received from [INSERT THE NAME/S OF THE CREDITOR/S] for the amount of [INSERT THE AMOUNT OWED] from the proceeds of [SPECIFY THE TYPE OF LOAN, EX., CAR LOAN, PERSONAL LOAN, STUDENT LOAN, HOUSING LOAN, AUTO LOAN, HOSPITALIZATION AND ETC.]. I/WE hereby promise to pay [SPECIFY IF THE DEBT IS JOINT AMONG THE DEBTORS OR IF THEY ARE SOLIDARILY LIABLE] [INSERT THE NAME OF THE CREDITOR] at its place of business located at [INSERT THE COMPLETE PLACE OF BUSINESS OF THE CREDITOR] the amount of [INSERT THE AMOUNT OWED BY THE DEBTOR] ([INSERT THE AMOUNT IN NUMERICS]) in [INSERT THE CURRENCY USED IN PAYING THE AMOUNT] along with its interest which is at [INSERT THE INTEREST RATE OF THE LOAN] per month, until paid in full.

I/WE, [INSERT THE NAME/NAMES OF THE DEBTOR/S], is in mutual understanding to pay [INSERT THE NAME/NAMES OF THE CREDITOR/S], [SPECIFY OF THE PAYMENT BE MADE JOINTLY OR SOLIDARILY BY THE DEBTORS] the fine of [INSERT THE AMOUNT OF THE PENALTY] ([INSERT THE AMOUNT OF THE FINE IN FIGURES]) or an additional [INSERT THE THE ADDITIONAL RATE] in the event that a check has insufficient funds and or is dishonored by the bank due to other reasons thereof.

For every dishonored check unrecovered after maturity of the monthly amortization and after [INSERT THE ALLOWABLE DAYS FOR THE RECOVERY OF THE DISHONORED CHECK], shall imply that the Debtor/Debtors will be liable for an additional [INSERT THE AMOUNT OR PERCENTAGE] fine to the monthly amount due and the implied fine or penalty if the payment is delayed. Therefore, the debtor/debtors shall pay for the monthly amortization, an additional fine if there is a delay in the performance on the part of the debtor/debtors and an additional penalty or fine for any dishonored checks, until fully paid. The debtor/debtors will still be liable of the fixed charges imposed by [INSERT THE NAME OF THE CREDITOR].

The following is the breakdown of the schedule of payment:

The monthly amortization is as follows:

* Every [INSERT THE DAY OF THE MATURITY OF THE LOAN EVERY MONTH] of each month: [INSERT THE AMOUNT TO BE PAID BY THE DEBTOR/DEBTORS]

The Fixed expenses as imposed by [INSERT THE NAME OF THE CREDITOR]:

* Bank Surcharges: [INSERT THE AMOUNT]
* Interest rate: [INSERT THE INTEREST RATE]

In the instance that the debtor/debtors fails to perform his/her obligation to the creditor/creditors, without demand from the creditor/creditors, will render the debtor/debtors in default. Once the debtor/debtors will be in default, the whole amount including the interest agreed will be due and demandable at once.

In the event that any partial payment or installment is not paid by the debtor/debtors upon the maturity of the monthly amortization or when the obligation became due and demandable under the stipulations and as agreed by [INSERT THE NAME OF THE DEBTOR/DEBTORS] and [INSERT THE NAME OF THE CREDITOR/ CREDITORS], I/We respect the decision of [INSERT THE NAME OF THE CREDITOR/CREDITORS] to apply any attached property/s, pledges, securities and other valuable things which the creditor/creditors have in its possession prior to the application of the [SPECIFY THE TYPE OF LOAN] by the debtor/debtors.

I/We [SPECIFY IF THE LOAN IS JOINT OR SOLIDARY] respect that in the event that attached property/s, pledges, securities and other valuable things which the creditor/creditors currently in his/her possession against the [SPECIFY THE TYPE OF LOAN] is not enough to cover for the debt incurred, the creditor/creditors may advance, taking into consideration the hiring of an Attorney to settle this matter.

I/We, as debtor/debtors hereby agree to be obligated to do the performance of the agreed stipulations herein in the instance when the need arises for the extension of the Contract of Loan. I/We hereby agree also to the automatic renewal of this Promissory note when the need arises as per the decision of the Creditor/Creditors. The Creditor/creditors may request for the consent of the debtor/debtors for the renewal of the Contract of Loan in the event when the debtor/debtors have paid already the loan in full. I/We hereby agree and understand that the interest that have been collected in pursuant to this Contract of Loan is nonrefundable.

Any courses of actions enacted with regard to the subject matter such as partial payment of installment or partial performance of the obligation, extension and or shortening the duration of the performance of the obligation is hereby construed as NOT a modification or alteration to the original contract or Loan Agreement between the parties.

In the instance that there are certain legal actions made with regard to the Contract of Loan between [INSERT THE NAME/S OF THE DEBTOR/DEBTORS] and [INSERT THE NAME/S OF THE CREDITOR/CREDITORS], in order to settle the subject matter, I/We hereby agree to share in the cost of the attorney-at-law who will apply the settlement. I/We hereby agree to pay also any form of charges that may arise out of the legal action other than the Attorney’s professional fee such as penalties or fines and or other service charges.

In the event that there is an interest not paid and not included during the maturity of the monthly amortization will form part of the next monthly amortization plus the interest payable for that current period.

Any form of payment made by the debtor/debtors must first be applied to the interest of the Loan and not of the Principal. Any favor to the creditor/creditors by the debtor/debtors to apply the payment in lieu of the principal amount instead of the interest shall be held as void and invalid, thus, the payment will still be applied to the interest.

[INSERT THE NAME/S OF THE CREDITOR/CREDITORS] or any of its agents and or representatives may grant any renewal of this Promissory note and or renewal of the Contract Loan. [INSERT THE NAME/S OF THE CREDITOR/CREDITORS] or any of its agents and or its representatives shall reserve its rights against the debtor or any of the co-debtors and or guarantors to the Contract of Loan.

I/We represent the [INSERT THE NAME/S OF THE CREDITOR/CREDITORS] that the proceeds from the Contract of Loan will be applied to the stated purpose. The fund received shall not be used as fees required for my/our travel and work abroad. In the event that such acts will be realized by the debtor/debtors, [INSERT THE NAME OF THE CREDITOR/CREDITORS] has all the right to rescind the Contract of Loan between the parties and shall declare the part of the monthly amortization which are unpaid as due and demandable together with the interest and other penalties and damages for breach of Contract.

[INSERT THE SIGNATURE OF THE DEBTOR/DEBTORS]

Signature of the Debtor/Debtors

[INSERT THE NAME OF THE DEBTOR/DEBTORS]

Name/s of the Debtor or Debtors

[INSERT THE ADDRESS/ADDRESSES OF THE DEBTOR/DEBTORS]

Address

[INSERT THE NAME OF THE GUARANTOR]

Name of the Guarantor

[INSERT THE ADDRESS OF THE GUARANTOR]

Address

[INSERT THE NAME OF THE GUARANTOR]

Name of the Guarantor

[INSERT THE ADDRESS OF THE GUARANTOR]

Address

**SIGNED IN THE PRESENCE OF:**

[INSERT THE NAME AND SIGNATURE OF THE WITNESSES]

Name and Signature of the Witness

[INSERT THE NAME AND SIGNATURE OF THE WITNESSES]

Name and Signature of the Witness

**ACKNOWLEDGEMENT**

This Promissory note executed by [INSERT THE NAME OF THE DEBTOR/DEBTORS] and [INSERT THE NAME OF THE CREDITOR/CREDITORS] was acknowledged to me that the same was executed in their own free will without any factors that may compel the parties to engage into the Contract of Loan.

[INSERT THE NAME OF THE LAWYER WHO ATTEST TO THIS PROMISSORY NOTE]

[INSERT THE PLACE OF BUSINESS OF THE LAWYER]

Attested with my seal on this day [INSERT THE COMPLETE DATE OF ACKNOWLEDGEMENT] in the location as mentioned above.

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