

PAYMENT PLAN LOAN AGREEMENT

This Payment Plan Agreement (this "Agreement") is entered into and made effective as of (the "Effective Date"), by and between [LENDER NAME], a Individual at [LENDER S ADDRESS] ("Creditor" or "Lender"), and [BORROWER NAME], a Individual of the State of [STATE], at [BORROWER S ADDRESS] ("Debtor" or "Borrower"). This Agreement restructures an existing debt as an installment obligation; it does not create new credit.

Recitals

A. Debtor is presently indebted to Creditor in the original amount of ***** arising out of the following obligation (the "Underlying Debt"):

| [DESCRIPTION OF THE UNDERLYING DEBT OR]

B. Debtor acknowledges that the Underlying Debt is due, owing, and presently enforceable, that no setoff, counterclaim, or defense exists as of the Effective Date, and that the foregoing recitals are true and correct and are incorporated into this Agreement.

C. Debtor has requested additional time to pay the Underlying Debt, and Creditor is willing to forbear from collection and accept an installment schedule on the terms herein.

NOW, THEREFORE, for good and valuable consideration (including Creditor's forbearance), the Parties agree as follows.

1. Restructuring as Installment Obligation

In consideration of Debtor's agreement to the terms of this Agreement and Debtor's prompt performance hereunder, Creditor agrees to **forbear from collection** of the Underlying Debt and to accept payment of the principal sum of ***** (), payable on the schedule set forth in Section 3, in satisfaction of the Underlying Debt, subject to the reinstatement provisions below.

2. No Novation; Preservation of Remedies

This Agreement is a payment plan and forbearance, **not a novation** of the Underlying Debt. Until Debtor has performed all obligations under this Agreement in full, Creditor retains all rights and remedies under the Underlying Debt, subject only to Creditor's agreement to forbear as set forth herein.

3. Payment Schedule

Installments. Debtor shall pay the principal sum in monthly installments over 60 months beginning .

Interest on unpaid balance. The unpaid balance shall bear interest at **8% per annum**, calculated on the basis of actual/365.

Application of payments. Each payment applies first to fees/costs, then interest, then principal.

Place of payment. Payments shall be made to Creditor at the address above or to such other address as Creditor designates in writing.

4. Late Fee and Default Interest

If a payment is not received within 10 days of the due date, Debtor shall pay a late fee of **5%** of the overdue amount. Following any Event of Default, interest shall accrue on the unpaid balance at the Default Rate of **12% per annum** (or the legal maximum, whichever is less).

5. Reinstatement on Default

If Debtor fails to make any payment when due under this Agreement and fails to cure within the applicable grace period (or breaches any other material term), then automatically and without further notice or demand:

(a) any settlement discount shall be **void ab initio**; (b) the full original amount of the Underlying Debt (****), less all payments made under this Agreement, together with interest at the Default Rate from the Effective Date, shall be **immediately due and payable**; and (c) Creditor may pursue any and all remedies available on the Underlying Debt as if this Agreement had not been entered into.

7. Waiver of Defenses

Debtor waives any defense, setoff, recoupment, or counterclaim to the Underlying Debt existing as of the Effective Date, other than the defense of payment under this Agreement.

8. No Additional Credit

Creditor is not extending new money or credit to Debtor. This Agreement restructures an existing obligation only.

9. Effect of Full Performance

Upon Debtor's full and timely performance of every payment and obligation under this Agreement, the Underlying Debt shall be deemed fully satisfied and discharged. Creditor shall promptly deliver to Debtor a written acknowledgement of satisfaction and, where applicable, shall file UCC-3 terminations, releases of judgment, or satisfactions of record within twenty (20) days of written request.

10. Acknowledgments of Debtor

Debtor acknowledges that (a) Debtor has had the opportunity to consult independent counsel regarding this Agreement; (b) Debtor enters into this Agreement voluntarily and in reliance on no representation other than those expressly stated herein; and (c) this Agreement is binding on Debtor's heirs, successors, and permitted assigns.

11. SCRA Notice

If Debtor is an active-duty servicemember, Debtor is entitled to the 6% interest cap under 50 U.S.C. §3937 upon written notice with orders; above-cap interest shall be forgiven.

12. General Provisions

Governing Law: State of [STATE].

Venue. Exclusive venue in the state or federal courts located in [VENUE CITY], [STATE].

Attorneys' fees. Prevailing Party recovers reasonable fees and costs.

Entire Agreement; Amendment. This Agreement, together with the Underlying Debt documentation, reflects the Parties' entire understanding and may be amended only in a writing signed by both Parties.

Severability. If any provision is unenforceable, the balance continues in effect.

Counterparts; Electronic Signatures. Signed in counterparts; ESIGN Act applies.

Signatures

Creditor

_____ PRINTED NAME

_____ SIGNATURE

_____ DATE

Debtor

_____ PRINTED NAME

_____ SIGNATURE

_____ DATE