Payment Agreement Template

An installment or repayment plan between a creditor and a debtor

Agreement date: _____ **Effective date:** _____

Use this document when parties agree how an existing or newly created payment obligation will be paid. Clearly identify the debt, due dates, allocation of payments, and consequences of default.

1. PARTIES

Creditor / payee full legal name: _____
Address, email and phone: _____

Debtor / payer full legal name: _____
Address, email and phone: _____

2. KEY DETAILS

Underlying transaction / reason for payment: _____

Total amount owed and currency: _____

Amount already paid / outstanding balance: _____

Installment amount and frequency: _____

First due date and final due date: _____

Payment method and destination: _____

Interest / fees, if any (or state none): _____

3. ACKNOWLEDGMENT OF AMOUNT DUE

The Debtor acknowledges that, as of _____, the amount payable to the Creditor is _____ in the currency of _____. The amount relates to: _____. Supporting invoices, statements, or records may be attached.

The parties agree that this Agreement records the payment arrangement and does not change the underlying transaction except as expressly stated.

4. PAYMENT SCHEDULE

The Debtor will pay the outstanding balance in accordance with the following schedule. Attach additional rows if needed.
Payment 1: Amount _____ Due date _____
Payment 2: Amount _____ Due date _____
Payment 3: Amount _____ Due date _____
Final payment: Amount _____ Due date _____

Payments will be made by the method and to the destination listed above. A payment is treated as received when: _____. The Creditor will provide a receipt or written confirmation upon request.

5. ALLOCATION AND EARLY PAYMENT

Payments will be applied in this order: _____ (for example, permitted costs, interest, then principal). Any prepayment rights, discounts, or early settlement amount are: _____.

The Debtor may make additional or early payments without penalty unless a lawful, clearly disclosed term states otherwise: _____.

6. INTEREST, FEES AND COSTS

Interest rate and calculation method: _____ (or write “no interest”). Any late charge, returned-payment fee, collection cost, or administrative fee must be specifically stated, reasonable, and permitted by applicable law: _____.

No fee or rate may be added unless authorized by this Agreement and applicable law. If a rate is variable, identify the reference rate, adjustment dates, and notice method: _____.

7. LATE PAYMENT AND DEFAULT

A payment is late if it is not received by the due date, subject to any grace period stated here: _____ days. If a payment is missed, the Creditor will provide any notice and opportunity to cure required by law.

If the default is not cured, the available lawful remedies are: _____. Acceleration of the remaining balance, collection activity, and recovery of costs may be used only where clearly agreed and legally permitted.

8. CHANGES, HARDSHIP AND COMMUNICATION

Any change to the amount, due dates, or payment method must be documented in a written amendment signed by both parties. Requests for temporary hardship arrangements should be sent to: _____.

Notices about missed payments, receipts, disputes, or updated contact details will be delivered by: _____. Each party will promptly notify the other of a change in address or payment instructions.

9. RELEASE ON FULL PAYMENT

After the Creditor receives all amounts properly due under this Agreement, the payment obligation described above will be treated as satisfied, and the Creditor will provide written confirmation or release where appropriate.

Any security interest, guarantee, lien, or separate obligation is: _____. Do not assume such rights are created or released unless the relevant documents and legal formalities are completed.

10. DISPUTES AND GENERAL PROVISIONS

The parties will attempt to resolve a dispute through direct discussion. If unsuccessful, the chosen process is _____, subject to applicable law. Governing law and venue: _____.

This Agreement contains the complete payment arrangement. If a clause is unenforceable, the remaining clauses continue where permitted. Electronic signatures and counterparts may be used where legally recognized.

SIGNATURES

By signing below, each party confirms that they have read this Agreement, understand its terms, and agree to be bound by it to the extent permitted by applicable law.

PARTY 1	PARTY 2
Name: _____	Name: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

Witness (if required): _____	Witness (if required): _____
Signature: _____	Signature: _____

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