A sample Secured Promissory note

Date ————— Amount—————– Interest rate————- Due Date———

For the amount received, the undersigned promises to pay to the order of\_\_\_\_\_\_\_\_\_\_\_\_\_\_(creditor)\_\_\_\_\_\_\_\_\_\_\_\_ the sum of ($\_\_\_\_\_\_\_\_\_\_\_\_) Dollars, together with interest at the rate of\_\_\_\_% on the unpaid balance. The terms of the promissory note will be valid till (date of creating the note) to (ending date of the note or due date).

This promissory note is secured by an additional agreement that is confirmed by the parties and a conformed copy of the secured agreement is attached to this note and is received by the undersigned. The borrower will be considered as a defaulter if the borrower unable to pay off the amount within 30 days after the due date and the lender will then become a legal owner of the collateral.

The note is created according to the laws of the state and both the parties agree on the terms of the note.

Borrower’s name and signature ——————–

Witness name and signature —————-

Lender’s name and signature —————

Witness name and signature —————-

Guidelines of creating a secured promissory note

A secured promissory note is like a simple promissory note that is usually written in a way “I (name of the borrower) is agreeing to pay a sum of (amount in dollars) to (name of the lender) on this (day), (date) and year. At the end of the note there are spaces for signatures of both parties along with their permanent address and a signature of a witness in some cases.

For securing a promissory note, you have to write an additional agreement but before creating a securing agreement, discuss the terms with your lender carefully and never sign the one that goes against you or is inflexible.

It is good to prepare a secured promissory note by a legal body in order to avoid risks.