

IOU

_____	Dated: _____
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FOR VALUE RECEIVED, the undersigned, _____ (the "Borrower"), located at _____, _____, NY, _____, hereby promises to pay to the order of _____ (the "Lender"), located at _____, _____, NY, _____, the principal sum of _____ together with interest on the principal balance, and in accordance with the terms set forth below.

Payment. The principal amount of this Note together with accrued and unpaid interest and all other charges, costs and expenses, is due and payable on or before _____. All payments under this Note are applied first to accrued interest and then to the balance of the outstanding principal.

Prepayment. The Borrower has the right to prepay all or any part of the principal amount of this Note, together with accrued and unpaid interest thereon, at any time without prepayment penalty or premium of any kind.

Costs and Fees. In the event of default, the Borrower shall pay to the Lender all costs of collection including reasonable attorney's fees.

Waiver. The Borrower and all sureties, guarantors and endorsers hereof, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note.

Successors and Assigns. This Note will inure to the benefit of and be binding on the respective successors and permitted assigns of the Borrower. The Borrower may not assign its rights or delegate its duties under this Note without the Lender's prior written consent.

Joint and Several Liability. If there is more than one Borrower of this Note, the obligation of each Borrower shall be joint and several under this Note.

Amendment. This Note may be amended or modified only by a written agreement signed by the Borrower and Lender.

Severability. In the event that any of the provisions of this Note are held to be invalid or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Note.

Notifications. Any notice or communication under this Note must be in writing and sent via one of the following options:

Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has executed this IOU as of the date first stated above.

Signature of Borrower

Signature of Lender

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GENERAL INSTRUCTIONS

If you are lending money or planning to borrow money from someone else, you may want to use an IOU form to keep track of the loan agreement. This form is an essential document and not only keeps a written record of the loan transaction but also protects you and your interests. You may also hear IOU forms being referred to as “I Owe You” forms or “Debt Acknowledgment” forms.

WHAT IS AN IOU FORM?

IOU is a phonetic abbreviation of the term “I owe you” and is used to acknowledge the fact that a debt is owed. Although IOUs are not always formal documents, they are designed to clearly and explicitly set out the details and terms of a loan transaction. Both the borrower and the lender should retain a copy of the document so that both parties have a written record of the loan terms.

WHEN TO USE AN IOU

There are many different circumstances in which an IOU would be the ideal document. If you are planning on loaning money to a business or an individual borrower, an IOU form is a great way to formalize and record the loan agreement. If you are the borrower, this form is essential for you as it provides the terms of repayment in writing thereby avoiding any potential confusion or questions about when and in what manner to make the repayments.

WHY YOU SHOULD USE AN IOU

An IOU is designed to protect the interests of all the parties involved in a lending and borrowing transaction. By documenting the exact amount of the loan and the repayment details, the lender is protected should there be any dispute at a later date. By stating the terms and schedule of repayment, the borrower should be protected from any abuses related to the repayment of the loan. When an IOU is created, both parties should carefully review the document before the loan is finalized so that each party is able to confirm that there is no misunderstanding as to any of the terms.

WHAT IS INCLUDED IN AN IOU?

In order to make sure that your IOU is comprehensive and complete, you should confirm the document includes certain information and details about the transaction. In most cases, you should include the names and contact information of both the borrower and the lender (clearly stating which party is which), the date that the loan will be made, the amount that is being loaned, the method of repayment including amount and frequency and the details of any interest.