

Sample Loan Agreement: Innovative Changes

Innovative Changes 2027 Lloyd Center, Portland, OR 97232

LOAN DATE_____ LOAN NUMBER_____ MATURITY DATE_____

BORROWER 1		BORROWER 2		
NAME AND ADDRESS		NAME (AND ADDRESS IF DIFFERENT FROM BORROWER)		
TRUTH IN LENDING ACT DISCLOSURE				
ANNUAL PERCENTAGE RATE (The cost of your credit as a yearly rate.) _____%	FINANCE CHARGE (The dollar amount the credit will cost you.) \$ _____	Amount Financed (The amount of credit provided to you or on your behalf.) \$ _____	Total of Payments (The amount you will have paid after you have made all payments as scheduled.) \$ 0.00	Prepayment: If you pay off early you will not have to pay a penalty. Payment in any amount may be made in advance at any time.
Your Payment Schedule Will Be:				
# of Payments	Amount of Payments	When Payments are Due		
	\$ _____	Monthly Beginning _____		
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
See Attached Payment Schedule				
Late Charge: If you are Ten (10) or more days late in making a payment, you will be charged a late fee of Five Dollars (\$5) or 5% of the unpaid amount of the installment due, whichever is less.				
Security: You grant IC a security interest in \$ _____ to be held in a deposit account IC on your behalf with KeyBank _____ (the "Bank"). <i>The annual percentage rate does not take into account your required deposit.</i>				
See your contract documents for any additional information about nonpayment, default, and any required repayment in full before the scheduled date.				

SIGNATURES

By signing as Borrower, you agree to the terms of the Loan Agreement. YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED A COPY OF THIS AGREEMENT.

The lender and the undersigned borrower hereby acknowledge and agree that (1) all the documents that are part of this transaction are retained by IC\$ may be retained electronically in the form of an imaged copy, and (2) the original copies of the loan documents may be destroyed. Both parties further s that the imaged copies of these loan documents shall be recognized and serve as the originals for all purposes, including, but not limited to, disputes, litigation, or collection efforts that arise from the transaction.

Borrower 1	Date
Borrower 2	Date

LOAN DATE _____ LOAN NUMBER _____

ITEMIZATION OF THE LOAN AMOUNT

Itemization of Loan Amount of	Amount Given to You Directly	Amount Paid on Your Account	Prepaid Finance Charge
\$	\$	\$	\$

Amounts Paid to Others on Your Behalf: (If an amount is marked with an asterisk (*) we will be retaining a portion of the amount.)

\$ To Borrower's Deposit \$ To \$ To

LOAN AGREEMENT

In this Loan Agreement ("Agreement") all reference to "Innovative Changes," "IC\$," "we," "our," or "us," mean Innovative Change\$ and anyone to whom IC\$ assigns or transfers this Agreement. All references to "Borrower," "you" or "your" mean each person who signs this Agreement as a borrower.

THIS LOAN AGREEMENT is made this ____ day of _____, _____, between Innovative Change\$ (IC\$), an Oregon nonprofit corporation, and _____ (Borrower) under the terms stated in the Truth in Lending Act Disclosure Agreement dated _____.

- PROMISE TO PAY.** You promise to pay us the "Total of Payments" shown above, which includes a Finance Charge, by the final payment due date.
- INTEREST RATE.** You agree that you will pay interest ("Interest") on the principal balance at a rate of eighteen percent per annum (18%) (the "Interest Rate") from the date of this Agreement until paid in-full. Interest is computed on a 365/365 simple interest basis. This means that interest is computed by dividing the annual Interest Rate by 365, multiplying that number by the outstanding principal balance, and multiplying that number by the number of days the principal balance is outstanding. You and we specifically intend this Agreement to bear a lawful rate of interest. If any competent court finds that the Interest Rate unlawful, it shall be reduced to the highest legal rate. We shall apply any excess interest previously collected from you to the unpaid principal balance or, if this Agreement is fully repaid, shall return it to You.
- PAYMENTS.** You promise to make payments of the amount and at the time shown in the payment schedule listed in the Truth in Lending Act Disclosure. Because this is a simple interest loan, if you do not make payments exactly as scheduled, your final payment may be more or less than the amount of the final payment that is disclosed. IC\$ will send you an invoice at least two weeks prior to your monthly payment due date.
 - Please send monthly invoice by ☐ post ☐ email _____ **Borrower Initials**
 - We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize IC\$ to debit your bank account automatically for each Loan payment due. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly, sometimes the same date as your loan payment is due. By initializing this section (Section 3) of this Agreement, you authorize us to electronically collect on your loan payments in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. _____ **Borrower Initials**
- APPLICATION OF PAYMENTS.** We shall apply each payment or prepayment first to unpaid accrued interest and costs due under this Agreement, and then to unpaid principal.
- LOAN PROCEEDS BY MAIL.** If the proceeds of this loan are mailed to you, interest on this loan begins on the date the loan proceeds are mailed to you.

6. **LOAN ORIGATION FEE.** You agree to pay us an origination fee, shown above as a "Prepaid Finance Charge." The origination fee is fully earned by us on the date of this Agreement.
7. **SECURITY.** You grant us a security interest as shown in the Truth in Lending Act Disclosure. If you are in default, IC\$ may apply any or all of the amount held as collateral toward the amount you owe on this loan. Upon full repayment of your loan, these funds will be released to you along with interest earned, if any.
8. **PREPAYMENT.** You may prepay your loan in full without penalty at any time before the due date. If you prepay your loan in full, we will return to you any unearned Interest required by law. However, you agree that the origination fee is a nonrefundable and will **not be refunded to you, even if you pay off your loan early.**
9. **DEFAULT.** You will be in default under this Agreement if you do not make a payment of the amount required within ten (10) days of the date it is due. You will be in default if you fail to comply with any term of this agreement and your failure materially impairs your ability to pay amounts due under this Agreement. You will be in default if a bankruptcy petition is filed by or against you or you fail to keep any other agreement in this contract.
10. **ACTIONS AFTER DEFAULT.** When you are in default and after you have been given any right you have under state law to cure your default, we can require immediate payment of the entire unpaid balance under this Agreement. If we demand immediate payment, you will continue to pay interest at the rate provided for in this Agreement, until what you owe has been repaid. We will also apply against what you owe any security interest we hold under this Agreement. We may also exercise any other rights given by law when you are in default. If we must take additional actions to collect your loan, you agree to pay any collection costs (including reasonable attorney's fees) we incur, to the extent allowed by law. Any partial payments you make will be applied first to collections costs, then to finance charges, then to principal.
11. **LATE CHARGE.** If you are late in making a payment, you agree to pay the late charge shown in the Truth in Lending Disclosure. If no late charge is shown, you will not be charged one.
12. **RETURNED CHECK CHARGE.** You agree to pay a \$20.00 fee for each check delivered in payment of an amount due under this Note which is returned unpaid to us plus any fees charged to us arising out of the dishonored check charged to us. _____ **Borrower Initials**
13. **EACH PERSON RESPONSIBLE.** Each person who signs this Agreement will be individually and jointly responsible for paying the entire amount owed under this Agreement. This means we can enforce our rights against any one of you individually or against all of you together.
14. **CANCELLATION.** You may cancel this Loan without paying the Finance Charge. To do so, you must inform us in writing that you wish to cancel the Emergency Loan and future payment obligations and you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash or in the original form of payment disbursed to you by us (e.g. the check we wrote to you or on your behalf). If we receive your payment on time, we will cancel your loan.
15. **TELEPHONE CALLS – MONITORING.** You agree that if you are past due or in default, you will accept calls from us or a third party we have contracted with regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for the purposes of state and federal law. If you provide us with a wireless or cellular telephone number, you agree that we may place calls to that number which may result in charges from your wireless or cellular carrier. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer services.
16. **OTHER CONTACT.** IC\$ may contact you during the term of this loan, and periodically after the loan is repaid in full to collect information about your financial and/or household circumstances for the sole purpose of accumulating aggregated statistical data for reporting to federal and other funders that support IC\$ and for use in funding applications and public relations efforts. _____ **Borrower Initials**

- 17. DELAY IN ENFORCING RIGHTS.** We can delay enforcing any of our rights under this Agreement any number of times without losing the ability to exercise our rights later. We can enforce this Agreement against your heirs or legal representatives.
- 18. ENTIRE AGREEMENT.** Your loan is subject to the terms of this Loan Agreement, the Truth in Lending Act Disclosure, and the Security Agreement. You acknowledge that we have provided you with a copy of these documents, which together constitute the entire agreement between you and us.
- 19. ASSIGNMENT.** You may not assign this Agreement or your responsibility for repaying any Loan to anyone else. We may assign this Agreement to any of our affiliates. We may also assign or delegate any or all of our rights and responsibilities under this Agreement to independent contractors or other third parties.
- 20. CONTINUED EFFECTIVENESS.** If any part of this Agreement is determined by a court to be unenforceable, the rest will remain in effect.
- 21. NOTICES.** Notices will be sent to you at the most recent address you have given us in writing unless you opt to have notices sent to you electronically above. Notice to any one of you will be notice to all.
- 22. USE OF ACCOUNT.** You promise to use your account for consumer (personal, family or household) purposes.
- 23. OTHER PROVISIONS.** If you did not pay the loan origination fee at the time we approved your application, you authorize us to withdraw this fee from your loan principal.

24. REPRESENTATIONS REGARDING BANKRUPTCY: You make the following representations to us as of the date of this Agreement and each time you apply for a Loan:

- You are solvent and generally paying your debts as they become due.
- You have no intent to file any type of bankruptcy proceeding while a Loan is outstanding or within 121 days after you repay the loan.
- You intend to repay your Loan.
- There will be sufficient funds in your bank account on the due dates of the Loan payments to repay the Loan if you have authorized us to withdraw the payments by automatic debit.
- You will not use the funds from a Loan to pay any debt that might otherwise be non-dischargeable in bankruptcy under Title 11 of the United States Code.

You acknowledge and agree that (a) the foregoing representations are material, (b) each time we make a Loan to you, we are relying upon your representations, and (c) we will be entitled to a presumption that any amount we loan to you is non-dischargeable under 11 USC § 523 if any of the foregoing representations is false, inaccurate or incomplete.

25. CREDIT REPORTING. We may report information about your Loans to credit bureaus. Late payments, missed payments or other defaults on your Loans may be reflected in your credit report.

CREDIT COUNSELING AVAILABILITY: You should consider contacting an independent, non-profit credit counseling agency approved by the National Foundation for Credit Counseling (NFCC) or by a State or Federal government agency. You may obtain information on how to contact an approved counselor near you by calling the NFCC at 1-800-388-2227

26. SMALL CLAIMS. You and we each may bring a Claim in small claims court. You and we need not submit Claims to arbitration prior to submitting them to small claims court. All Claims that cannot be heard or resolved in small claims court (and all appeals from a judgment by a small claims court) must be resolved in accordance with the Arbitration Agreement appearing above. If a small claims judgment is made in our favor, you agree to reimburse us for all costs and attorney fees incurred in relation to such Claims.

27. LICENSING. We are subject to the regulation and oversight of the Division of Finance and Corporate Securities of the Oregon Department of Consumer and Business Services. Consumer inquiries or complaints may be made by calling (866) 814-6710.

By signing below, (1) you acknowledge that you have read and received a copy of this Loan and Security Agreement and Disclosure Statement, and (2) you agree to all of its terms.

Borrower 1 Signature

Date of Loan

Borrower2 Signature

Date of Loan

NOTICE OF YOUR FINANCIAL PRIVACY RIGHTS: *We respect the privacy of our customers and are committed to treating customer information responsibly. We collect "nonpublic personal information" about you from the following sources: 1) Information we receive from you on applications or other forms, and 2) Information about your transactions with us.*

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.