

# COSIGNER AGREEMENT

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This Cosigner Agreement (this "**Agreement**") is made and effective as of [EFFECTIVE DATE] (the "**Effective Date**") by and among:

[CREDITOR LEGAL NAME], [an individual residing at / a [STATE] [ENTITY TYPE] with its principal place of business at] [CREDITOR ADDRESS] (the "**Creditor**");

[BORROWER LEGAL NAME], [an individual residing at] [BORROWER ADDRESS] (the "**Borrower**"); and

[COSIGNER LEGAL NAME], [an individual residing at] [COSIGNER ADDRESS] (the "**Cosigner**").

Creditor, Borrower, and Cosigner are each a "**Party**" and together the "**Parties**."

**Recitals.** Borrower has applied for or entered into a credit obligation with Creditor described below (the "**Underlying Obligation**"). As a condition of extending or continuing credit, Creditor requires the Cosigner to guarantee Borrower's performance. The Cosigner is willing to do so on the terms in this Agreement. In consideration of Creditor's extension of credit to Borrower and the mutual promises below, the Parties agree as follows.

## 1. The Underlying Obligation

1.1 **Identification.** The "**Underlying Obligation**" is the [loan / lease / promissory note / credit agreement] dated [DATE] between Creditor and Borrower, in the original principal or credit amount of \$[AMOUNT], a copy of which the Cosigner acknowledges having received and reviewed.

1.2 **Incorporation.** The terms of the Underlying Obligation are incorporated by reference. Capitalized terms used but not defined here have the meanings given in the Underlying Obligation.

1.3 **Cosigner notice.** The Cosigner acknowledges receiving any cosigner notice or disclosure required by applicable law before signing. [Many jurisdictions and federal consumer-credit rules require a specific cosigner notice; confirm and attach the required form.]

## 2. Guaranty of Payment and Performance

2.1 **Guaranty.** The Cosigner unconditionally and irrevocably guarantees to Creditor the full and prompt payment and performance of all of Borrower's obligations under the Underlying Obligation, including Principal, interest, late charges, and collection costs (collectively, the "**Guaranteed Obligations**").

2.2 **Guaranty of payment, not collection.** This is a guaranty of **payment and performance, not merely of collection**. The Cosigner agrees that Creditor need not first proceed against Borrower, exhaust any collateral, or pursue any other remedy before enforcing this Agreement against the Cosigner, to the extent permitted by applicable law.

**2.3 Primary obligation.** The Cosigner's liability is direct and primary. The Cosigner may be required to pay the Guaranteed Obligations even if Creditor takes no action against Borrower.

### 3. Scope and Continuing Nature

**3.1 Continuing guaranty.** This is a continuing guaranty that applies to the Guaranteed Obligations as they exist now and as they may be renewed, extended, modified, or increased from time to time, subject to Section 3.2.

**3.2 Modifications.** Creditor and Borrower may, without notice to or consent of the Cosigner and without releasing the Cosigner, agree to renewals, extensions, or modifications of the Underlying Obligation. **[If the Cosigner's consent is required for material increases, state that here; some jurisdictions limit the amount a cosigner can be bound to.]**

**3.3 Maximum liability.** **[OPTIONAL: The Cosigner's total liability under this Agreement will not exceed \$[CAP AMOUNT], plus accrued interest and reasonable collection costs.]** If no cap is stated, the Cosigner is liable for the full Guaranteed Obligations.

### 4. Cosigner Waivers

**4.1 Waivers.** To the extent permitted by applicable law, the Cosigner waives: (a) presentment, demand, protest, and notice of dishonor; (b) any requirement that Creditor first sue Borrower or realize on collateral; (c) any defense based on Creditor's modification, release, or impairment of collateral; and (d) any right of subrogation, reimbursement, or contribution against Borrower until the Guaranteed Obligations are paid in full.

**4.2 Limits on waivers.** No waiver in this Agreement applies to the extent it is prohibited by applicable consumer-protection, surety, or cosigner-protection law, which varies by jurisdiction. Such laws control over any conflicting waiver.

### 5. Cosigner Acknowledgments

**5.1 Understanding of risk.** The Cosigner acknowledges and understands that: (a) the Cosigner is agreeing to pay the entire debt if Borrower does not; (b) Creditor can collect from the Cosigner without first trying to collect from Borrower; (c) the debt and any default may be reported on the Cosigner's credit record; and (d) the Cosigner may have to pay late fees and collection costs that increase the total owed.

**5.2 Independent decision.** The Cosigner has had the opportunity to review the Underlying Obligation and this Agreement and to seek independent legal and financial advice, and is signing voluntarily and not in reliance on any representation by Borrower or Creditor not stated in writing.

**5.3 No fiduciary duty.** Creditor owes the Cosigner no fiduciary or advisory duty and has no obligation to inform the Cosigner of Borrower's financial condition.

### 6. Default and Remedies

**6.1 Cosigner's obligation on default.** If Borrower defaults under the Underlying Obligation, the Cosigner will, on written demand and to the extent permitted by applicable law, pay or perform the Guaranteed Obligations then due.

**6.2 Remedies cumulative.** Creditor's rights against the Cosigner are in addition to, and not in place of, its rights against Borrower and any collateral. Creditor may enforce its remedies in any order.

**6.3 Reinstatement.** If any payment by Borrower is later avoided or recovered as a preference or otherwise, the Guaranteed Obligations and the Cosigner's obligations are reinstated as if the payment had not been made.

## 7. Notice to Cosigner

**7.1 Notice of default.** Creditor will use reasonable efforts to notify the Cosigner of a Borrower default, and will provide any default or right-to-cure notice required by applicable law. Failure to give a non-required notice does not release the Cosigner except as applicable law provides.

**7.2 Statements.** On the Cosigner's reasonable written request, Creditor will provide a statement of the then-outstanding balance of the Guaranteed Obligations, to the extent permitted by privacy and consumer law.

## 8. Representations and Covenants

**8.1 Cosigner representations.** The Cosigner represents that: (a) the Cosigner has full power and authority to enter into this Agreement; (b) this Agreement is a valid and binding obligation enforceable against the Cosigner; and (c) the information the Cosigner provided to Creditor is accurate.

**8.2 Borrower acknowledgment.** Borrower acknowledges the Cosigner's guaranty, agrees to perform the Underlying Obligation, and agrees to reimburse the Cosigner for any amount the Cosigner pays on Borrower's behalf, subject to Section 4.1(d).

**8.3 Joint and several liability.** If more than one person signs as Cosigner, each is jointly and severally liable for the Guaranteed Obligations.

## 9. General Provisions

**9.1 Governing law and venue.** This Agreement is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

**9.2 Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt or, if sent by a method that confirms delivery, on confirmed delivery.

**9.3 Assignment.** Creditor may assign this Agreement together with the Underlying Obligation. The Cosigner may not assign its obligations without Creditor's prior written consent.

**9.4 Successors.** This Agreement binds and benefits the Parties and their respective heirs, successors, and permitted assigns.

**9.5 Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A waiver is effective only if in writing and signed by the Party against whom it is asserted.

**9.6 Entire agreement; amendment.** This Agreement, together with the Underlying Obligation, is the entire agreement among the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by the Parties affected.

**9.7 Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of the Effective Date.

CREDITOR

BORROWER

COSIGNER

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Signature:

\_\_\_\_\_

Signature:

\_\_\_\_\_

Signature:

\_\_\_\_\_

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Printed name: **[NAME]**

Printed name: **[NAME]**

Printed name: **[NAME]**

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Title: **[TITLE OR N/A]**

Title: **[N/A]**

Title: **[N/A]**

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Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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