

DEBT ACKNOWLEDGMENT

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This Debt Acknowledgment (this "**Acknowledgment**") is made and effective as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

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

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

Debtor and Creditor are each a "**Party**" and together the "**Parties**."

Recitals. The Debtor owes the Creditor a sum of money arising from the transactions described below. The Parties wish to confirm the existence and amount of that debt, record the Debtor's promise to repay it, and set out the repayment terms. This Acknowledgment is intended to evidence and confirm an existing obligation, not to create a new loan. In consideration of the Creditor's forbearance and the mutual promises below, the Parties agree as follows.

1. Acknowledgment of Debt

1.1 Outstanding amount. The Debtor acknowledges and agrees that, as of the Effective Date, the Debtor owes the Creditor the sum of [AMOUNT IN WORDS] dollars (\$[AMOUNT]) (the "**Debt**").

1.2 Origin of the Debt. The Debt arises from [DESCRIBE THE UNDERLYING TRANSACTIONS — e.g. goods sold and delivered, services rendered, money lent, unpaid invoices numbered [____], rent in arrears, or other basis], the details of which the Debtor confirms are accurate.

1.3 Undisputed and due. The Debtor confirms that the Debt is a valid, liquidated, and undisputed obligation, that it is presently due and owing, and that the Debtor has no claim, counterclaim, defense, or right of setoff against the Debt as of the Effective Date.

1.4 No novation. This Acknowledgment confirms an existing obligation and does not extinguish or replace it with a new one except to the extent the repayment terms in Section 2 modify the timing of payment.

2. Repayment Terms

2.1 Repayment. The Debtor will repay the Debt to the Creditor [in a single payment on [DATE] / in [NUMBER] consecutive [monthly] installments of \$[AMOUNT] each beginning on [FIRST PAYMENT DATE] until paid in full].

2.2 Interest. The outstanding Debt [does not bear interest / bears interest at [NUMBER]% per annum from the Effective Date until paid, not to exceed the maximum rate permitted by applicable law].

2.3 Method of payment. Payments are due in [CURRENCY, e.g. US dollars] by [CHECK / ACH / WIRE TRANSFER] to [CREDITOR PAYMENT INSTRUCTIONS], or as the Creditor otherwise directs in writing.

2.4 Application and prepayment. Payments are applied first to any accrued interest and charges and then to the outstanding Debt. The Debtor may prepay all or part of the Debt at any time without penalty.

2.5 Late payment. If any payment is more than [NUMBER, e.g. 10] days late, the Debtor will pay a late charge of [the lesser of [NUMBER]% of the overdue amount or \$[AMOUNT]], to the extent permitted by applicable law.

3. Default and Acceleration

3.1 Default. The Debtor is in default if the Debtor fails to make any payment when due and does not cure within [NUMBER] days after the Creditor gives written notice, or if the Debtor becomes insolvent or the subject of a bankruptcy or similar proceeding.

3.2 Acceleration. On a default that is not cured, the Creditor may declare the entire remaining Debt immediately due and payable by written notice to the Debtor.

3.3 Collection costs. On default, the Debtor will pay the Creditor's reasonable costs of collection, including reasonable attorneys' fees and court costs, to the extent permitted by applicable law.

4. Effect on Limitations and Prior Claims

4.1 Confirmation, not waiver of rights. Nothing in this Acknowledgment waives any right or remedy the Creditor has regarding the underlying transactions, except that the Creditor agrees to forbear from collection so long as the Debtor performs under Section 2.

4.2 Limitations period. The Parties acknowledge that a written acknowledgment of a debt may, under the law of some jurisdictions, restart or extend the limitations period for enforcing the obligation. [Confirm the effect of this Acknowledgment on the limitations period with counsel in the governing jurisdiction.]

5. Representations

5.1 Authority. Each Party represents that it has full power and authority to enter into this Acknowledgment and that this Acknowledgment is a valid and binding obligation enforceable against it.

5.2 Accuracy. The Debtor represents that the amount and origin of the Debt stated in Section 1 are true and correct.

5.3 Voluntary act. The Debtor represents that it signs this Acknowledgment voluntarily, with the opportunity to seek independent advice, and not under duress or undue influence.

6. Release Upon Payment

6.1 Satisfaction. Upon the Creditor's receipt of the full Debt and all accrued interest and charges, the Debt is satisfied in full and the Creditor will, on the Debtor's reasonable request, provide a written acknowledgment of satisfaction.

6.2 No further obligation. After satisfaction, neither Party has any further obligation under this Acknowledgment except for provisions that by their nature survive, such as accrued payment obligations and dispute-resolution terms.

7. General Provisions

7.1 **Governing law and venue.** This Acknowledgment 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].

7.2 **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.

7.3 **Assignment.** The Creditor may assign this Acknowledgment and the Debt without the Debtor's consent. The Debtor may not assign its obligations without the Creditor's prior written consent.

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

7.5 **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.

7.6 **Entire agreement; amendment.** This Acknowledgment is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

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

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

DEBTOR	CREDITOR
Signature: _____	Signature: _____
Printed name: [NAME]	Printed name: [NAME]
Title: [TITLE OR N/A]	Title: [TITLE OR N/A]
Date: _____	Date: _____

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