

EMPLOYEE LOAN AGREEMENT

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This Employee Loan Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [COMPANY ADDRESS] (the "**Lender**" or "**Company**"); and

[EMPLOYEE NAME], an individual residing at [ADDRESS] (the "**Borrower**" or "**Employee**").

The Company and the Employee are each a "**Party**" and together the "**Parties**."

Recitals. The Employee has requested, and the Company has agreed to provide, a loan or advance (the "**Loan**") on the terms below. This Agreement sets out the principal, interest, repayment schedule, and the consequences of separation. The Loan is a personal obligation of the Employee and is separate from the Employee's wages, except as expressly stated. In consideration of the mutual promises below, the Parties agree as follows.

1. Loan Amount and Disbursement

1.1 **Principal.** The Company will lend the Employee the principal sum of [\$ AMOUNT] (the "**Principal**").

1.2 **Disbursement.** The Company will disburse the Principal to the Employee on or about [DISBURSEMENT DATE] by [CHECK / DIRECT DEPOSIT / OTHER].

1.3 **Purpose.** The Loan is provided for [PURPOSE, e.g. a personal hardship, emergency expense, or stated purpose]. The Employee is responsible for using the funds appropriately.

2. Interest

2.1 **Interest rate.** The Loan bears simple interest at [RATE]% per year on the unpaid Principal, beginning on the disbursement date, or, if zero, the Parties acknowledge the Loan is interest-free.

2.2 **Compliance with rate limits.** The interest rate will not exceed the maximum rate permitted by applicable law. If the stated rate exceeds the lawful maximum, the rate is reduced to the maximum permitted, and any excess collected is applied to Principal or refunded.

2.3 **Tax considerations.** The Parties acknowledge that a below-market or interest-free loan may have tax consequences (for example, imputed interest) under applicable law. Each Party is responsible for its own tax treatment, and neither Party has relied on the other for tax advice.

3. Repayment

3.1 **Repayment schedule.** The Employee will repay the Loan in [NUMBER] installments of [\$ AMOUNT] each, [per pay period / monthly], beginning on [FIRST PAYMENT DATE], until the Loan is repaid in full. The Loan is due in full no later than [MATURITY DATE].

3.2 Payroll deduction authorization. The Employee authorizes the Company to deduct each scheduled installment from the Employee's after-tax wages, to the extent permitted by applicable wage law and not below any required minimum wage. This authorization is voluntary and may be subject to revocation rights under local law; if a deduction is not permitted, the Employee will pay the installment directly.

3.3 Prepayment. The Employee may prepay all or part of the Loan at any time without penalty. Prepayments are applied first to accrued interest, then to Principal.

3.4 Application of payments. Each payment is applied first to any fees, then to accrued interest, then to Principal, unless applicable law requires otherwise.

4. Acceleration on Separation

4.1 Balance due on separation. If the Employee's employment ends for any reason before the Loan is repaid, the entire unpaid balance (Principal plus accrued interest) becomes due, subject to Section 4.2 and applicable law.

4.2 Final-pay offset. To the extent permitted by applicable wage law and with any authorization required by that law, the Company may offset the unpaid balance against the Employee's final wages and other amounts owed. Any remaining balance not lawfully offset is payable by the Employee within **[NUMBER, e.g. 30]** days of the separation date. Local wage law may limit deductions from final pay; the Company will comply with that law.

4.3 No waiver of wages. Nothing in this Agreement requires the Employee to forgo any wages required to be paid under applicable law, and any offset is limited to lawful amounts.

5. Default and Remedies

5.1 Events of default. The Employee is in default if the Employee (a) fails to make a payment when due and does not cure within **[NUMBER]** days after written notice, (b) becomes the subject of a bankruptcy or insolvency proceeding, or (c) materially breaches this Agreement.

5.2 Remedies. On default, the Company may declare the entire unpaid balance immediately due and may pursue any remedy available at law, including collection. Default interest, if any, will not exceed the maximum rate permitted by applicable law.

5.3 Costs of collection. To the extent permitted by applicable law, the Employee will reimburse the Company's reasonable costs of collection, including reasonable attorneys' fees, incurred in enforcing this Agreement after default.

6. Unsecured Obligation; No Effect on Employment

6.1 Unsecured. Unless a separate security agreement is signed, the Loan is an unsecured obligation of the Employee.

6.2 Independent of employment. The Loan is a personal debt and survives the end of employment until repaid. Repayment is not contingent on continued employment, and the at-will nature of any employment is unchanged.

6.3 No retaliation. The Loan and its repayment terms do not condition any term of employment, and the Company will not retaliate against the Employee for exercising rights under applicable law regarding wage deductions.

7. General Provisions

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

7.2 **Assignment.** The Employee may not assign this Agreement. The Company may assign it to a successor or affiliate on written notice.

7.3 **Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

7.4 **Entire agreement; amendment.** This Agreement 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.

7.5 **Severability and waiver.** If any provision is unenforceable, the rest remains in effect, and the Parties intend that any unenforceable rate or deduction term be reduced to the maximum permitted by law. A Party's failure to enforce a provision is not a waiver.

7.6 **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.

LENDER (COMPANY)	BORROWER (EMPLOYEE)
Signature: _____	Signature: _____
Printed name: [NAME]	Printed name: [NAME]
Title: [TITLE]	Title: N/A
Date: _____	Date: _____

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