

# Interest-Only Promissory Note

Date: \_\_\_\_\_  
Principal Amount: \$ \_\_\_\_\_  
Borrower: \_\_\_\_\_  
Lender: \_\_\_\_\_

## 1. Promise to Pay

For value received, the undersigned Borrower ("Borrower") promises to pay to the order of the above-named Lender ("Lender"), the principal sum of \$ \_\_\_\_\_, with interest as set forth below, in lawful money of the United States of America.

## 2. Interest Rate

Interest will accrue on the unpaid principal balance at the rate of \_\_\_\_\_% per annum, calculated on a \_\_\_\_\_ day year basis.

## 3. Payment Terms

This note is an Interest-Only. Borrower shall pay accrued interest only on the outstanding principal balance in monthly installments, beginning on \_\_\_\_\_ and continuing on the same day of each month thereafter. The entire principal amount together with all accrued and unpaid interest shall be due and payable in full on \_\_\_\_\_ ("Maturity Date").

## 4. Prepayment

Borrower may prepay this Note in whole or in part at any time without penalty. Any partial prepayment shall be applied first to accrued interest and then to principal.

## 5. Default

If Borrower fails to make any payment under this Note when due, the entire remaining unpaid balance, including principal and interest, shall become immediately due and payable, at the option of the Lender.

## 6. Governing Law

This Note shall be governed by and construed under the laws of the State of \_\_\_\_\_.

## 7. Miscellaneous

Any modification to this Note must be made in writing and signed by both Borrower and Lender. Notices regarding this Note shall be delivered to the addresses provided above.

\_\_\_\_\_  
Borrower Signature  
Date: \_\_\_\_\_

\_\_\_\_\_  
Lender Signature  
Date: \_\_\_\_\_

