

Personal Loan Guarantee

- ☞ Sometimes your credit just isn't good enough... however, if someone else – with good credit – will back you with their credit, your deal can go through.
- ☞ You may also see the spelling of “guarantee” as “guaranty” (which is perhaps the more technically correct word to use such an agreement).
- ☞ See also, Personal Loan Guaranty (Short Version)
- ☞ Although this document is labeled a Personal Guaranty, it can be used by a corporation or other business to guarantee the debt of another business or individual. If the Guarantor is a Corporation leave this Section 4 in place, otherwise delete it.
- ☞ The first part of the Memorandum should be completed and distributed to the other party along with a copy of the Personal Loan Guarantee and the Loan Agreement being guaranteed.



Date: **[Month Day, Year]**

To: **[Name of other party]**

From: **[Owner/Founder]**
[Company]

Subj: **Personal Loan Guarantee**

Thank you very much for helping me to secure this important loan for my business!

Attached is the Personal Loan Guarantee we are talking about.

With it, I believe that [Lender] to extend credit to [Company].

Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Time is of the essence.

Please sign and return it to me asap.

Thank you very much!


From JIAN

NOTICE:

We wish we could provide an agreement that was tailored exactly to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🚫 **Do Not Use This Agreement 'As-Is.'**
- 🚫 **This Agreement Is Not Legal Advice.**
- 🚫 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🚫 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🚫 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

Free Access to Attorneys, Accountants & Consultants in Your Area

We're building a network of  business experts who are eager to help you when you need it. They can review your work, make suggestions, handle unique situations and introduce you to influential people. On our website you can search by expertise and location, then e-mail or jump straight to their website. Although they are professionals and charge for their services, most offer an initial consultation free of charge. They're in your area and you can contact them directly.


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Things change, laws change, the world changes... new ideas come along all the time. When you register, you can access our website to get updates and changes... like new and improved spreadsheets and documents. They can be downloaded directly to your computer.

- Please visit our website under [Updates](#).
- Remember to bookmark our website: www.JIAN.com

Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

Personal Loan Guarantee

- 🔊 This is a standard introductory paragraph that lists the parties to the Agreement and the date the Agreement is being entered into. You need to enter the date of the Agreement, the names and addresses of the Guarantor (the party giving the Guarantee) and the Debtor.

Effective Date **[Month, Day, Year]**

by **[Guarantor]** (“Guarantor”)

residing at **[Address of Guarantor]**

in favor of **[Owner/Founder]** (“Debtor”),

a **[State]** **[Corporation / Partnership / Sole Proprietorship / Individual]**

principal place of business **[Address]**

[City], [State] [Zip Code]

- 🔊 The following section is an introduction. It refers to the loan agreement between the Debtor and the Lender.

1. Summary

The Debtor has entered into a loan agreement with [Enter Name] (“Lender”), dated [Month, Day, Year] (the “Loan”).

The Debtor is and will be subject to certain obligations, agreements, duties and covenants under the Loan (collectively “Debtor's Obligations”).

The Debtor has requested that the Guarantor guarantee to the Lender the performance of all of the Debtor's Obligations and, but for the Guarantor's agreement to do so, the Lender would not enter into the Loan.

- 🔊 For all intents and purposes, the Guarantor is part of the loan agreement. The Guarantor, by virtue of being jointly and severally liable with the Debtor, is liable to the Lender just the same as the Debtor is, and, in some cases, more so.

It is the intent of the Guarantor that the Guarantor will be subject at all times to this Guarantee and be and remain liable to the Lender to the same extent as if it were jointly and severally liable to the Lender for the full performance of all the terms, conditions and provisions of the Loan.

For good and valuable consideration, the sufficiency of which is acknowledged by the parties, and as a material inducement to and in consideration of Lender entering into the Loan with the Debtor, the Guarantor agrees as follows:

2. Guarantee of Obligations

- 🔊 Not only is the Guarantor responsible for the repayment of the loan, but any and all of the Debtor's obligations. If the Debtor owes the Lender money for damages, the Guarantor is liable. If the Lender incurs any expenses, legal or other, enforcing the Debtor's obligations to it, the Guarantor is liable.

- 🔊 This Guarantee remains in effect for the full term of the Loan and any extensions.
- 🔊 The only way the Guarantor can be released from this Guarantee is by written Agreement by the Lender. Absolutely nothing short of that will relieve or otherwise diminish the Guarantor's obligation to the Debtor.

2.1 Guarantee

The Guarantor hereby unconditionally guarantees each and every one of the Debtor's present or future obligations pursuant to or in connection with the Loan Agreement (including, without limitation, any and all payment obligations thereunder).

- 🔊 The Guarantor waives a number of rights, including any notice of any change, including extension of the Loan, any statute of limitations that may apply to the Debtor. Basically, the Guarantor has no rights, so long as the Debtor is on the hook, and in a few cases even when it isn't, the Guarantor will be obligated to the Debtor.
- 🔊 While the Guarantor waives all of its rights, the Debtor waives none of its rights. Thus if it delays or fails to take any action against the Guarantor or the Debtor, it does not waive its right to pursue that right in the future.

2.2 Waiver Under Loan Agreement

A waiver by the Lender of any of the terms, provisions, covenants, conditions or agreements of the loan agreement, or any modification thereof, or the granting of any indulgences or extensions of time to the Debtor may be done without notice to the Guarantor and without impairing its obligations pursuant to this Guarantee and without in any way affecting, changing or releasing the Guarantor from its obligations. The Guarantor hereby acknowledges receipt of a correct and complete copy of the loan agreement (and all exhibits) and consents to all of the terms and provisions in this Agreement, as the same may be from time to time hereafter amended or changed and waives...

- (1) notice of any default under the Loan Agreement,
- (2) demand for performance or observance of, and any enforcement of any provision of, or any pursuit or exhaustion of rights or remedies against the Debtor under the Loan Agreement and
- (3) any defense of any kind (other than the defense of payment) that it may now or hereafter have with respect to this Guarantee; provided, however, that the foregoing clause (4) will not be construed to preclude the assertion by the Guarantor of any affirmative claim or counterclaim which it may have against the Lender.

Without limiting the generality of the foregoing, the Lender will not be required to make any demand upon or to pursue or exhaust any of its rights or remedies against the Debtor or any other person. No delay or omission on the Lender's part in exercising any right under this Guarantee will operate as a waiver or relinquishment of such right.

2.3 Assignment of Guarantee


- 🔊 The Lender may assign this Guarantee.
- 🔊 If there is a default on the loan, the Lender or its assignee can bring an action against the Guarantor, whether or not it has or intends to bring an action against the Debtor.

The Guarantor further agrees that the Lender may, without notice, assign this Guarantee in whole or in part and agrees that all its obligations under this Guarantee are independent of the obligations of the Debtor under the Agreement and that a separate action may be brought against the Guarantor whether or not an action is commenced against the Debtor under the Loan Agreement.

3. Lender's Rights to Additional Security

🔊 This section allows the Lender to do a number of things to give it additional security, none of which require giving notice to or getting approval from the Guarantor. Furthermore, it permits the Lender to renew or alter the Loan (thus extending the Guarantor's obligation), also without the Guarantor's consent. If there are other Guarantors or forms of security, the Lender can release those other guarantors and ignore the other security and resort to the Guarantor for payment of an obligation.

The Lender may, from time to time, without notice to the Guarantor and without the necessity of the Guarantor consenting:

- obtain the primary or secondary liability of any third party with respect to any of the Debtor's Obligations,
- obtain security interests in any property owned by any third parties to secure any of the Debtor's Obligations,
- extend or renew the Loan for any period (whether or not longer than the original period), alter the Loan or any of the Debtor's Obligations,
- release, waive or compromise any liability of the Guarantor or any liability of any other party primarily or secondarily liable on any of the Debtor's Obligations,
- release or impair any  security interest or lien, if any, in all of the Guarantor and permit any substitution or exchange for any such property, and
- resort to the Guarantor for payment of any of the Debtor's Obligations, whether or not the Debtor has resorted to any property securing any of the Debtor's Obligations or any obligations of the Guarantor or has proceeded against the Debtor or any other party primarily or secondarily liable on any of the Debtor's Obligations.

No such action or failure to act by the Lender will affect the Guarantor's liability under this Agreement in any manner whatsoever. Any amount received by the Lender from any source and applied by the Lender toward the payment of the Debtor's Obligations will be applied in such order of application as the Lender may from time to time elect.

4. Representation & Warranties of Guarantor

🔊 Insert the state of the Guarantor's incorporation.

Good Standing & Binding Obligation

The Guarantor represents and warrants to the Lender as follows: The Guarantor is a duly and validly organized and existing corporation in good standing under the laws of the State of [State]. The Guarantor has full power and authority to own its properties and carry on its business in the place where such properties are located and such business is conducted. The Guarantor has full power and authority to carry out the transactions contemplated under this Agreement; the execution and delivery of this Guarantee by the Guarantor and the performance of its obligations have been duly authorized by all necessary corporate action of the Guarantor and the Guarantor's Board of Directors has determined that the Guarantee by the Guarantor of the Debtor's obligations may reasonably be expected to benefit, directly or indirectly, the Guarantor.

This Guarantee has been duly executed and delivered by, and constitutes the legal, valid and binding obligations of the Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally. There is no action, suit or proceeding pending against the Guarantor that brings into question the validity of, or might in any way impair, the execution, delivery or performance by the Guarantor of this Guarantee. The execution, delivery and performance of this Guarantee by the Guarantor will not violate any law order, writ, injunction, decree, rule or regulation of

any court, administrative agency or any other governmental authority applicable to the Guarantor.

No default or condition now exists that, with or without the passage of time or giving of notice or both, would constitute a default or require any consent not obtained under the terms of any credit agreement, lease, guarantee, document, agreement or instrument to which you are a party, by which you or your property are or may be bound or to which you or your property may be subject and will not be in violation of or beyond the authority conferred by your articles of incorporation or bylaws.

5. General Provisions

🔊 This section, often titled "Miscellaneous," lists a number of standard clauses found in most Agreements.

5.1 Binding on Successors

This Guarantee will be binding upon the Guarantor, its successors and assigns.

5.2 Choice of Law and Choice of Forum

🔊 You must decide which state laws govern this Agreement. Generally, it is your (company's) state of residence. Insert that state in all three inserts.

This Guarantee will be governed by the laws of the State of [State]. The Guarantor consents to the jurisdiction of the courts of the state of [State] and agrees that any action arising from this Guarantee will be brought in [County] County, [State] or in the United States District Court that has jurisdiction of [County] County, [State].

5.3 Counterparts

🔊 Generally, more than one copy of an Agreement is executed. This means that all copies are the same.

This Agreement may be executed in multiple counterparts, any one of which will be deemed an original, but all of which will constitute one and the same instrument.

5.4 Attorneys Fees

🔊 In the event of a lawsuit or proceeding involving this Agreement, the Guarantor agrees to pay the Lenders reasonable attorney fees.

In the event the Lender prevails in an action commenced by it against the Guarantor to enforce the terms of this Guarantee, the Guarantor agrees to pay reasonable attorney fees and all costs and expenses that may be incurred by the Lender, which will be deemed to have accrued on the date of the commencement of any such action.

5.5 Waiver, Amendment, Modification

🔊 All changes to this Agreement, including any waivers, must be in writing and signed by the party against whom compliance is sought. Also, if one party waives a promise or condition such as a deadline, that doesn't mean that the promise or condition is automatically waived again.

No waiver, amendment or modification, including those by custom, usage of trade, or course of dealing, of any provision of this Agreement will be effective unless in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No waiver by any party of any default in performance by the other party under this Agreement or of any breach or series of breaches by the other party of any of the terms or conditions of this Agreement will constitute a waiver of any subsequent default in performance under this Agreement or any subsequent breach of any terms or conditions of that Agreement. Performance of any obligation required of a party under this Agreement may be waived only by a written waiver signed by a duly authorized officer of the other party, and such waiver will be effective only with respect to the specific obligation described in that waiver.

5.6 Entire Agreement

- ☞ The following paragraph states that this Agreement is intended to be the only Agreement between these parties regarding this particular matter, and that no other documents or communications, whether oral or written, are binding. Therefore, it is very important to make sure that everything the parties have agreed to and want to include is accounted for in the body of this Agreement.

The parties acknowledge that this Agreement expresses their entire understanding and agreement, and that there have been no warranties, representations, covenants or understandings made by either party to the other except such as are expressly set forth in this section. The parties further acknowledge that this Agreement supersedes, terminates and otherwise renders null and void any and all prior or contemporaneous agreements or contracts, whether written or oral, entered into between the Guarantor and the Debtor with respect to the matters expressly set forth in this Agreement.

5.7 Cumulative Rights

- ☞ This section means no one right or remedy excludes other rights or remedies.

Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative upon all other rights and remedies set forth in this section and allowed under applicable law.

5.8 Severability

- ☞ If any part of this Agreement is unenforceable or invalid, the balance of the Agreement should be enforced. Basically, ignore any sections that are invalid.

If any provision of this Agreement is found invalid or unenforceable under judicial decree or decision, the remainder will remain valid and enforceable according to its terms. Without limiting the previous, it is expressly understood and agreed that each and every provision of this Agreement that provides for a limitation of liability, disclaimer of warranties, or exclusion of damages is intended by the parties to be severable and independent of any other provision and to be enforced as such. Further, it is expressly understood and agreed that if any remedy under this Agreement is determined to have failed of its essential purpose, all other limitations of liability and exclusion of damages set forth in this section will remain in full force and effect.

5.9 Joint & Several

- ☞ If more than one party signs this Guarantee, then each will be 100% liable for the Guarantee.

If this Guarantee is executed on behalf of the Guarantor by more than one person or entity, each person or entity executing this Guarantee will be jointly and severally liable, and the Lender will have the right to join one or all of them in any proceeding or to proceed against them in any order, and to settle or compromise any of the Lender's rights as against any Guarantor.

5.10 Notices

- ☞ All notices between the parties must be in writing and delivered or mailed certified, return receipt requested

All notices, demands or consents required or permitted under this Agreement will be in writing and will be delivered or mailed certified return receipt requested to the respective parties at the addresses set forth above or at such other address as such party will specify to the other party in writing. Any notice required or permitted to be given by the provisions of this Agreement will be conclusively deemed to have been received on the day it is delivered to that party by U.S. Mail with acknowledgment of receipt or by any commercial courier providing equivalent acknowledgment of receipt.

- ☞ This paragraph simply avoids confusion or arguments about the possible meanings of section headings – the text counts, the title does not.

Captions and section headings used in this Agreement are for convenience only and are not a part of this

Agreement and will not be used in construing it.

Understood, Agreed & Approved

I have carefully reviewed this contract and agree to and accept its terms and conditions. I am executing this Agreement as of the Effective Date first above written.

Guarantor:

[Name]

