

# PAYMENT PLAN AGREEMENT

This Payment Plan Agreement (the "Agreement") is made and entered into on \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, a [state] corporation, with its principal place of business located at \_\_\_\_\_ ("Creditor"), and \_\_\_\_\_, with a mailing address of \_\_\_\_\_ ("Debtor").

**WHEREAS**, Creditor has provided services or goods to Debtor, and Debtor owes Creditor a sum of money of [amount owed] ("Debt").

**WHEREAS**, Debtor has requested a payment plan to pay off the Debt in installments, and Creditor has agreed to the payment plan subject to the terms and conditions set forth below.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Payment Schedule.** Debtor shall make payments to Creditor according to the following schedule:
  - a. Payment 1: [amount ], due on MM/DD/YYYY
  - b. Payment 2: [amount], due on MM/DD/YYYY
  - c. Payment 3: [amount], due on MM/DD/YYYY
  - d. Payment 4: [amount], due on MM/DD/YYYY
  - e. Payment 5: [amount], due on MM/DD/YYYY
  - f. Final Payment: [amount], due on MM/DD/YYYY
  
2. **Payment Method.** Debtor shall make payments to Creditor via: (select one)
  - Cash
  - Check
  - Credit Card
  - Bank Transfer
  - Other: \_\_\_\_\_

If the payment method is a check, the check must be made payable to \_\_\_\_\_.

3. **Late Payments.** If Debtor fails to make a payment on the due date, a late fee of: (Select one)

- \_\_\_\_\_ \$
- \_\_\_\_\_ %

will be assessed. If Debtor fails to make a payment within \_\_\_\_\_ days of the due date, Creditor may declare the entire balance of the Debt immediately due and payable.

4. **Default.** If Debtor fails to make a payment within [number of days] of the due date, Creditor may declare Debtor in default of this Agreement, and Creditor may take any and all legal actions to collect the Debt, including but not limited to, pursuing a lawsuit or retaining a collection agency. In the event of default, Debtor shall be responsible for all reasonable collection costs and legal fees incurred by Creditor.
5. **Modification.** This Agreement may not be modified or amended except in writing signed by both parties.
6. **Prepayment.** Debtor may prepay any amount owed under this Agreement at any time without penalty.
7. **Termination.** This Agreement may be terminated by either party upon written notice if the other party breaches any provision of this Agreement.
8. **Confidentiality.** All information and communications between the parties relating to this Agreement shall be kept confidential and shall not be disclosed to any third party without the prior written consent of the other party, except as required by law.
9. **Security Interest.** Creditor shall have a security interest in any goods or property sold or delivered to Debtor until the Debt is fully paid. Debtor authorizes Creditor to file any financing statements or other documents necessary to perfect this security interest.
10. **No Waiver.** The failure of either party to insist on strict performance of any provision of this Agreement shall not be deemed a waiver of any right or remedy that the party may have, nor shall it be deemed a waiver of any subsequent breach of the same or any other provision.
11. **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party.
12. **Notices.** Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, sent by facsimile or electronic mail, or deposited in the United States mail, postage prepaid, and addressed to the parties at the addresses set forth in this Agreement or to such other addresses as either party may designate by written notice to the other.

13. **Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.
14. **Headings.** The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
15. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
16. **Entire Agreement.** This Agreement contains the entire understanding of the parties and supersedes all prior or contemporaneous negotiations, understandings, or agreements, whether written or oral.
17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_. Any dispute arising under this Agreement shall be resolved in accordance with the dispute resolution procedures set forth below.
18. **Dispute Resolution.** Any dispute arising under this Agreement shall be resolved through mediation conducted in \_\_\_\_\_, \_\_\_\_\_. If the parties are unable to resolve the dispute through mediation, the dispute shall be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association. The arbitration shall be conducted in \_\_\_\_\_, \_\_\_\_\_.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

Creditor

Debtor

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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