

PAYMENT PLAN CONTRACT

Structured payments for an existing obligation

Payment Plan No.: _____

This Payment Plan Contract (the “Contract”) is entered into as of ____ day of _____, 20____ (the “Effective Date”), by and between:

CREDITOR (the party owed payment)

Full Legal Name	
Address	
Account / Customer No. (if any)	
Email	
Telephone	

PAYOR (the party making payments)

Full Legal Name	
Address	
Account / Customer No. (if any)	
Email	
Telephone	

The Creditor and the Payor are referred to individually as a “Party” and collectively as the “Parties.”

1. Recitals and Underlying Obligation

1.1 The Payor owes the Creditor money arising from the following underlying obligation (the “Underlying Obligation”):

(Examples: outstanding invoices, medical or dental bills, services rendered, tuition, retail purchase, judgment, prior loan, etc. Reference any invoices, account numbers, or contracts.)

1.2 The Parties wish to set out a structured payment plan for repayment of the Total Balance (as defined below) on the terms set forth in this Contract.

1.3 This Contract is not a release of the Underlying Obligation. It establishes a schedule for satisfying that obligation.

2. Acknowledgment of Total Balance

The Payor acknowledges and agrees that, as of the Effective Date, the following amounts are owed to the Creditor:

Component	Amount
Principal balance	
Accrued interest (if any)	
Late fees / penalties (if any)	
Collection / administrative costs (if any)	
Other: _____	
TOTAL BALANCE	

(The “Total Balance” is the sum shown above and is the amount to be repaid under this Contract, subject to interest, fees, or adjustments expressly provided herein.)

3. Down Payment (Optional)

The Payor shall pay a down payment of \$_____ on or before _____, which shall be credited against the Total Balance. If no down payment is required, write “N/A.”

4. Payment Schedule

4.1 The Payor agrees to pay the remaining balance to the Creditor in installments as follows:

#	Description (optional)	Due Date	Amount
1			
2			

#	Description (optional)	Due Date	Amount
3			
4			
5			
6			
7			
8			
		TOTAL OF SCHEDULED PAYMENTS	

4.2 Recurring Schedule. (Optional.) Instead of — or in addition to — the schedule above, the Payor shall make recurring payments of \$_____ per _____ (week / month / etc.), beginning on _____ and continuing until the Total Balance is paid in full.

4.3 Application of Payments. Each payment shall be applied first to any late fees, then to interest (if any), then to the principal portion of the Total Balance, unless the Parties agree otherwise in writing.

5. Interest

(Select one and delete the other.)

Option A — No Interest: No interest shall accrue on the Total Balance so long as the Payor remains current under this Contract.

Option B — Interest: The unpaid Total Balance shall accrue interest at _____% per annum, simple/compound, beginning on the Effective Date until paid in full. If applicable law caps the interest rate, the rate shall automatically be reduced to the maximum permitted rate.

6. Payment Method

Payments shall be made to the Creditor by _____ (e.g., bank transfer, check, ACH, debit/credit card, online portal) at the following details:

Primary Payment Method	
Bank / Account Name	
Account / Routing / Reference No.	
Online Payment Portal (if any)	

Other Instructions	
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7. Automatic Payment Authorization (Optional)

(Complete and initial if the Payor authorizes automatic recurring payments.)

The Payor authorizes the Creditor to automatically charge the payment method below for each scheduled installment on its due date until the Total Balance is paid in full or this authorization is revoked in writing with at least ____ (__) days’ notice. The Payor may revoke this authorization at any time in writing without affecting the obligation to make payments by other means.

Payment Method Type	<input type="checkbox"/> ACH / Bank <input type="checkbox"/> Credit Card <input type="checkbox"/> Debit Card <input type="checkbox"/> Other
Account / Card Holder Name	
Last 4 Digits of Account / Card	
Bank / Card Issuer	
Routing / Expiry (as applicable)	
Payor’s Initials Authorizing Auto-Pay	

8. Late Payments and Failed Payments

8.1 Late Fee. If a scheduled payment is not received within ____ (__) days of its due date, the Payor shall pay a late fee of \$_____ (or _____% of the overdue amount, whichever is greater), subject to any applicable legal limits.

8.2 Returned / Failed Payments. If any payment is returned unpaid or otherwise fails, the Payor shall pay a returned-payment fee of \$_____ and shall promptly arrange a replacement payment.

8.3 Notification. The Creditor will use reasonable efforts to notify the Payor of a missed payment, but failure to notify shall not waive any rights or fees.

9. Default and Acceleration

The Payor shall be in default if any of the following occurs:

- (a) A scheduled payment is more than ____ (__) days overdue;
- (b) Two (2) or more scheduled payments are returned unpaid or otherwise fail in any 12-month period;
- (c) The Payor provides false or misleading information in connection with this Contract;
- (d) The Payor becomes insolvent, files for bankruptcy, or has a receiver appointed; or
- (e) The Payor materially breaches any other provision of this Contract.

Upon default and after any cure period required by applicable law, the Creditor may declare the entire remaining Total Balance immediately due and payable (“acceleration”), terminate this Contract, and pursue all rights and remedies available under the Underlying Obligation or applicable law, including reasonable collection costs and attorneys’ fees.

10. Prepayment

The Payor may prepay all or any portion of the Total Balance at any time without penalty. Prepayments shall be applied first to any unpaid late fees, then to accrued interest, then to the remaining principal.

11. Modifications and Financial Hardship

11.1 Any modification of this Contract must be in writing and signed by both Parties.

11.2 If the Payor experiences a documented financial hardship (such as job loss, serious illness, or other significant change in circumstances), the Payor may request a modified payment schedule. The Creditor will consider such requests in good faith but is not obligated to agree.

11.3 The Creditor’s acceptance of a late or partial payment does not waive the Creditor’s rights under this Contract or constitute a modification of the payment schedule.

12. Effect on Underlying Obligation

12.1 This Contract is in addition to, and does not release, novate, or replace, the Underlying Obligation, except as expressly stated.

12.2 So long as the Payor remains current under this Contract, the Creditor agrees to refrain from initiating new collection action with respect to the Underlying Obligation.

12.3 Upon payment in full of the Total Balance and all other amounts owed under this Contract, the Underlying Obligation shall be deemed fully satisfied, and the Creditor shall, upon request, provide a written acknowledgment of satisfaction.

13. Communications

The Payor consents to receive communications from the Creditor regarding this Contract — including payment reminders and notices of missed payments — by mail, email, telephone, and SMS/text at the contact information provided above (or as later updated in writing). Standard message and data rates may apply. The Payor may withdraw consent to electronic communications at any time in writing.

14. Credit Reporting and Privacy

14.1 The Creditor may, to the extent permitted by applicable law, report information about this Contract and the Payor’s payment history to consumer reporting agencies or credit bureaus. Late or missed payments may negatively affect the Payor’s credit.

14.2 The Creditor shall handle the Payor's personal and financial information in accordance with applicable privacy laws and its privacy notice, and shall use such information only for the purposes of this Contract and the Underlying Obligation.

15. Joint and Several Liability

If more than one person signs as Payor, each Payor is jointly and severally liable for all obligations under this Contract. The Creditor may pursue any or all such persons for the full Total Balance, without first seeking payment from any other Payor.

16. Guarantor (Optional)

The undersigned Guarantor, if any, unconditionally guarantees full and timely performance of all of the Payor's obligations under this Contract. The Guarantor's liability shall be independent of the Payor's and shall not be affected by any extension, modification, or waiver granted to the Payor.

17. Dispute Resolution

The Parties shall first attempt to resolve any dispute through good-faith negotiation. If unresolved within ____ (__) days, the dispute shall be submitted to _____ (e.g., mediation, then small-claims court, arbitration, or the courts of [jurisdiction]). Nothing in this Article limits the Creditor's right to pursue collection in the appropriate court.

18. Governing Law

This Contract shall be governed by the laws of _____, without regard to its conflict of laws principles.

19. General Provisions

19.1 Entire Agreement. This Contract, together with any documents referenced herein, constitutes the entire understanding between the Parties on the payment plan and supersedes all prior discussions on that subject.

19.2 Severability. If any provision is held invalid or unenforceable, the remaining provisions shall continue in full force and effect, and the unenforceable provision shall be modified to the minimum extent necessary to make it enforceable.

19.3 No Waiver. The failure or delay of either Party to enforce any provision shall not be a waiver of any future enforcement.

19.4 Assignment. The Payor may not assign this Contract. The Creditor may assign this Contract or its rights hereunder to any successor, affiliate, or third party (including a collection agency or assignee for value), and shall provide written notice of any such assignment.

19.5 Notices. All notices shall be in writing and delivered to the addresses set forth above by personal delivery, certified mail, recognized courier, or email.

19.6 Counterparts and Electronic Signature. This Contract may be signed in counterparts, including by electronic signature, each of which shall be deemed an original.

By signing below, the parties acknowledge that they have read, understood, and agree to all terms of this Payment Plan Contract.

<p>CREDITOR</p> <hr/> <p>Signature</p> <p>Name: _____</p> <p>Date: _____</p>		<p>PAYOR</p> <hr/> <p>Signature</p> <p>Name: _____</p> <p>Date: _____</p>
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— END OF AGREEMENT —

This template is for general informational purposes only and is not legal advice. Consumer credit and collection rules vary by jurisdiction — consult a qualified attorney before use.

GUARANTOR (if any)

Signature · Name: _____

Address: _____

Date: _____