



## [Free] B2B Promissory Note Template for Slow Paying Customers

Follow this expert-recommended promissory note. Set-up a payment plan, customize the legal sections and alleviate the risk of non-payment in the future.



### B2B Promissory Note Letter Template

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Quote to Cash Solution





## Non-negotiable Promissory Note Template

State of \_\_\_\_\_

### NON-NEGOTIABLE PROMISSORY NOTE

Amount: \$\_\_\_\_\_ [Principal amount]

Dated: \_\_\_\_\_, 20\_\_

For good and valuable consideration, receipt of which is hereby acknowledged, [Customer Name], a \_\_\_\_\_ corporation [the Obligor], hereby promises to pay to [Your Company Name], a \_\_\_\_\_ corporation [the Holder], and together with any successor or permitted transferee, [the Holder], the principal amount of [Written Amount] (US \$ 000.000.00) shall be due in equal weekly payments for principal in the amount of \$ [Amount] plus weekly interest in the amount of \$ [Amount], for a total payment of \$ [Amount] no later than close of business day each Friday for 52 weeks (or the following Monday in the event of a national business holiday) beginning \_\_\_\_\_[Date] subject to the provisions herein.

Whereas the Parties represent that any and all payments made according to this Agreement, were incurred, and were made, in the ordinary course of business and financial affairs of the Parties. The Parties further represent that the debt restructuring is an ordinary and usual practice within the industry to manage delinquent accounts and assist industry participants under financial distress.

**SECTION 1: Payment.** The payment of principal hereunder shall be made in lawful money of the United States of America, by debit ACH by Holder in immediately available funds, to the account of the Obligor at \_\_\_\_\_[Bank Name and Address], ABA number \_\_\_\_\_, account number \_\_\_\_\_, or such other place or by such other means as the Holder may from time to time designate in writing. Any such wire transfer shall include the name and account number of each of the Holder and the Obligor. This Note may be prepaid at any time in whole or in part, without premium or penalty.

**SECTION 2: Interest.** Obligor shall pay Holder interest on the principal amount of the note accruing from the date hereof and outstanding from time to time thereafter at the rate of [Negotiated, or Maximum Legal Rate]% per annum, compounded daily, not exceeding the maximum rate allowed by applicable law, payable in arrears from \_\_\_\_\_ [Date] (Each an Interest Payment Date). "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the city of \_\_\_\_\_[Your Headquarters City and State] or at a place of payment are authorized by law, regulation or executive order to remain closed.



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**SECTION 3: Transfer.** This note is transferable or assignable by \_\_\_\_\_ [Your Company Name] or another Holder to any affiliate of \_\_\_\_\_ [Your Company Name] (Each a Permitted Transferee). As used herein, an "affiliate of \_\_\_\_\_ [Your Company Name] shall mean any corporation or entity which controls, is controlled by, or under common control with, [Your Company Name] or another Holder.

**SECTION 4: Waiver.** The Obligor hereby waives diligence, presentment, demand, protest or notice of any kind in connection with this Note. The non-exercise by the Holder of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

### **SECTION 5: Governing Law, Judicial Proceedings, Waiver of Jury Trial, Confession of Judgment.**

- a. Governing Law.** This agreement shall be governed by and construed in accordance with the internal laws of the State of \_\_\_\_\_ [Name of the State], without regard to the conflicts of law principles of such state.
- a. Judicial Proceedings, Forum Selection.** Obligor agrees that any action, suit or proceedings against, or by or on behalf of, Obligor arising under this note may only be brought or enforced in the courts of the United States for the \_\_\_\_\_ district of California or State courts located in such district, and Obligor irrevocably consents to the exclusive jurisdiction of each such court in respect of any such action, suit or proceeding. Obligor further irrevocably consents to the service of process in any such action, suit or proceeding, by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested or overnight courier with confirmation of receipt, at its address below. Further, any notice to [Your Company Name] by Obligor shall be addressed as follows:

**If to Obligor:**

Att: \_\_\_\_\_

Obligor Name:

Address: Street, City, State Zip

**If to [Your Company Name]:**

Attn: \_\_\_\_\_

Your Company Name:

Address: Street, City, State Zip



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- a. Waiver of Objections.** Obligor hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any action, suit or proceeding arising under this note in any of the courts of the United States for the \_\_\_\_\_ district of \_\_\_\_\_ or the state courts within such district and Obligor hereby further irrevocably waives any claim that such courts are not a convenient forum for any such action, suit or proceeding.
- a. Waiver of Jury Trial.** Obligor hereby irrevocably and unconditionally waives trial by jury in any legal action or proceeding relating to this note.

The Obligor irrevocably authorizes Holder to appear and confess a judgment without process in favor of the Holder for such amount as may then appear unpaid hereon, and to consent to immediate execution upon such judgement. The Obligor shall be responsible for all costs related to enforcement of this promissory note for Attorney's fees and court costs and all expenses.

### **SECTION 6: Defaults and Remedies.**

- A. The following constitute events of default (each an "Event of Default") under this note:
- i) a default for 10 days in the payment when due of interest, if any, on this Note.
  - ii) a default in payment when due of the principal of this Note.
  - iii) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by Obligor or any of its subsidiaries (or the payment of which is guaranteed by Obligor or any of its subsidiaries) whether such indebtedness or guarantee now exists, or is created after the date of this Note, which default (a) is caused by a failure to pay principal of or interest on such indebtedness prior to the expiration of any grace period provided in such indebtedness on the date of such default, or (b) results in the acceleration of such indebtedness prior to its express maturity and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a default under sub clause (iii)(a).
  - iv) failure by Obligor or any of its subsidiaries to pay final judgments aggregating, which judgments are not paid, discharged, or stayed, for a period of 30 days.



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v) Obligor or any of its subsidiaries pursuant to or within the meaning of any bankruptcy law

a) commences a voluntary case,

b) consents to the entry of an order for relief against it in an involuntary case,

c) consents to the appointment of a custodian of it or for all or substantially all of its property.

d) makes a general assignment for the benefit of its creditors, or

e) generally, is unable to pay its debts as the same become due, or

vi) a court of competent jurisdiction enters an order or decree under any bankruptcy law that

a) is for relief against Obligor or any of its subsidiaries in an involuntary case,

b) appoints a custodian of Obligor or any of its subsidiaries or for all or substantially all of their property,

c) orders the liquidation of Obligor or any of its subsidiaries, and the order or decree remains unstayed and in effect for 30 days.

vii) Upon the occurrence of any Event of Default, Obligor shall deliver to Holder by next day mail or facsimile at its address set forth herein notice of such Event of Default stating the Event of Default, the date of occurrence of such Event of Default, and any action taken or being taken by Obligor to remedy such Event of Default. If any Event of Default occurs and is continuing, the Holder may declare all outstanding principal and accrued but unpaid interest, if any, under this Note to be due and payable immediately.

A. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to Obligor or any subsidiary as set forth in clauses (v) and (vi) of this paragraph, all amounts outstanding under the Note will become due and payable without further action or notice.



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**SECTION 7: Non-Negotiable.** This note is non-negotiable.

**SECTION 8: Miscellaneous.**

A. The obligation to make any payments provided for in this note is absolute and unconditional and not subject of any set off, counterclaim, rescission, recoupment, or adjustment whatsoever.

i) This note may not be modified or discharged orally, but only in writing duly executed by the Holder. This note shall be binding upon the Obligor and its successors and assigns and shall be subject to the terms of section 6(b)(ii), and

ii) Binding Effect, Benefits. This note shall be freely assignable by [Your Company Name] or Holder to any assignee of [Your Company Name]'s rights under this note will succeed to all of the rights of [Your Company Name] hereunder and the term "Holder" will be deemed to include such assignee. This note shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

B. In the event that [Your Company Name] or a Holder shall retain or engage attorneys to collect or enforce its interest with respect to this note, the Obligor shall pay all the reasonable costs and expenses of such collection, enforcement or protection, including reasonable attorneys' fees, and [Your Company Name] or the Holder may take judgement for all such amounts in addition to the unpaid principal amount hereof, except as otherwise provided by an arbitrator or court of law.

A. The Obligor has had a full opportunity to review this agreement and seek the advice of counsel with respect to the force and effect of its provisions.

In witness whereof, the Obligor has caused this Note to be duly executed and delivered as of the day and year first above written.

**Customer Details**

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

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

[Signature to be notarized]



## Recommendations

Watch these training videos by Robert Shultz, where he highlights all the tips and tricks to reduce past dues by setting up a payment plan for your customers.

### **Credit Risk Assessment Training for Trade Creditors**



### **Business Credit Report Analysis and Evaluation Tutorial**

