**ISLAMIC LOAN AGREEMENT**

This Islamic Loan Agreement (hereinafter referred to as the Agreement") is made and entered into on **[Date of Agreement]** between:

Party A: Name: **[Full Name of Party A]** Address: **[Address of Party A]**

Party B: Name: **[Full Name of Party B]** Address: **[Address of Party B]**

Collectively referred to as the "Parties."

WHEREAS, Party A has agreed to provide a benevolent loan (Qard Hasan) to Party B in accordance with Islamic principles and in consideration of the terms and conditions set forth herein.

NOW, THEREFORE, the Parties agree as follows:

1. **Loan Amount:** Party A agrees to provide a benevolent loan (Qard Hasan) to Party B in the amount of **[Write the currency, the amount in numbers and the amount in words]**, hereinafter referred to as the "Loan Amount."
2. **Loan Period:** The loan shall be repaid by Party B to Party A over a period of **[Specify the duration in months or years],** commencing from the date of disbursement of the Loan Amount.
3. **Repayment Terms:** Party B agrees to repay the Loan Amount to Party A in equal instalments over the loan period. The total number of instalments shall be **[specify the number of instalments].** The first instalment shall be due on **[due date],** and subsequent instalments shall be due on the same day of each month thereafter.
4. **No Interest:** No interest or any additional charges shall be imposed on the Loan Amount. Party B shall only be obligated to repay the Loan Amount without any increase or additional financial burden.
5. **Prepayment:** Party B may choose to prepay the outstanding loan amount, in part or in full, at any time during the loan period without incurring any penalty or additional charges.
6. **Default and Late Payment:** If Party B fails to make any payment due under this Agreement within **[number of days]** days of the due date, Party A reserves the right to seek legal recourse, including going to court, to enforce payment. Party A may initially attempt to reach a mutually agreeable resolution, considering Party B's financial capabilities and circumstances.
7. **Pledge:** As security for the Loan Amount, Party B agrees to pledge the following assets: **[Description of Pledged Assets].** In the event of default, Party A has the right to take possession of and liquidate the pledged assets to recover the outstanding loan amount.

**Details of Pledged Assets:**

Description: **[Detailed description of the assets pledged]**

Location: **[Location of the assets]**

Value: **[Estimated value of the assets]**

Signature of Party B: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Date: **[Date]**

1. **Surety:** Party B shall provide a surety to guarantee the repayment of the Loan Amount. The surety, **[Name of Surety]**, agrees to be jointly and severally liable for the repayment of the Loan Amount in the event Party B defaults on the loan.

**Surety Details:**

Name: **[Full Name of Surety]**

Address: **[Address of Surety]**

Signature: **[Signature of Surety]**

Date: **[Date]**

1. **Termination:** This Agreement may be terminated by either party by providing written notice to the other party at least **[number of days]** days prior to the desired termination date. Upon termination, the outstanding loan amount shall become immediately due and payable.
2. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of **[Jurisdiction].**
3. **Entire Agreement:** This Agreement constitutes the entire understanding between the Parties concerning the subject matter herein and supersedes all prior discussions, negotiations, or agreements, whether written or oral.
4. **Amendments:** No amendment or modification of this Agreement shall be valid unless it is in writing and signed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Islamic Loan Agreement as of the date first above written.

**Party A:**

Signature…………………………..

Full Name………………………….

Date…………………………………

**Party B:**

Signature…………………………..

Full Name………………………….

Date…………………………………

**Witness 1:**

Signature…………………………..

Full Name………………………….

Date…………………………………

**Witness 2:**

Signature…………………………..

Full Name………………………….

Date…………………………………

**Witness 3:**

Signature…………………………..

Full Name………………………….

Date…………………………………