

How to complete a Promissory Note in Florida

Promise to repay a loan with interest, due date, and default terms.

What this form is for

A Promissory Note is used when your business borrows money and needs to formally document the repayment terms. Both traditional bank lenders and private investors require this legally binding contract that specifies the principal amount, interest rate, payment schedule, maturity date, and what happens if you default.

Before you start

- Loan principal amount and the exact date funds will be received
- Annual interest rate (fixed or variable) and whether it is simple or compounding interest
- Repayment schedule details: monthly payment amount, due date each month, and final maturity date
- Collateral description if the note is secured by business assets or real property
- Your business legal name, structure (LLC, Corporation, etc.), EIN, and principal place of business address
- Lender's legal name and address (individual or institution)

Step-by-step

1. Fill in the effective date of the note at the top, which is typically the date you receive the funds or sign the agreement.
2. Enter the principal loan amount in both numbers and written words to prevent ambiguity or alteration.
3. Specify the interest rate as an annual percentage and note whether interest accrues daily, monthly, or annually. Florida does not cap commercial loan interest rates, but consumer loans over 18% annual require a licensed lender.
4. Detail the payment terms: amount of each installment, due date (such as "the 1st day of each month"), number of total payments, and the final maturity date when any remaining balance is due in full.
5. Indicate if the note is secured or unsecured. If secured, reference the companion Security Agreement and describe the collateral briefly.
6. Complete the prepayment clause stating whether you can pay off the loan early without penalty. Many lenders require a minimum interest guarantee period.
7. Fill in the default provisions, including grace period (typically 10-15 days after missed payment), late fees, and the lender's right to accelerate the entire balance due immediately upon default.
8. Add any required Florida-specific language if the note involves a mortgage on real property, as Florida is a judicial foreclosure state.

9. Sign as the borrower (you or an authorized officer of your business) and have the lender sign. Florida does not require notarization for promissory notes unless they are tied to a mortgage.

What lenders look for

- Banks verify that the interest rate and terms match their commitment letter exactly. Any discrepancy will delay closing, so double-check numbers before signing.
- Underwriters scrutinize the default and acceleration clauses. Vague language or missing late-fee provisions suggest the document may not be enforceable, which can kill the deal.
- If your business is the borrower, an individual guaranty is almost always required separately. The promissory note alone does not pierce corporate protection.