Sale and Security Agreement

This document is a Sale and Security Agreement (the “Agreement”) and is made and effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the “Seller”), a company organised and existing under the laws of the [Country] of [COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [BUYER NAME AND ADDRESS]** (the “Buyer”), an individual with his main address located at OR a company organised and existing under the laws of the [Country] of [COUNTRY], with its head office located at:

 [COMPLETE ADDRESS]

In consideration of the terms and covenants of this agreement, and other valuable consideration, the parties agree as follows:

1. **DESCRIPTION OF GOODS PURCHASED**

The goods I, Buyer, have purchased are:

[SET OUT QUANTITY AND DESCRIPTION OF GOODS, ALONG WITH ANY REMARKS].

1. **TIME SALE PRICE**

I agree to pay the following price for the above goods:

|  |  |
| --- | --- |
| (1) The cash price of the goods, which is | R |
| (2) Plus the credit service charge, which is | R |
| (3) Less the down payment, which is | R |
| (4) Less trade-in (if any, described below) | R |
| (5) The TIME-SALE BALANCE on the PRICE, which is still due to the Seller, is | R |

1. **BUYER’S OBLIGATION**

I agree to pay the Seller the TIME-SALE PRICE BALANCE OF [AMOUNT], which is described above, in [NUMBER] successive monthly instalments of [AMOUNT] each, and one final instalment of [AMOUNT].

The first of these instalments is to be made on [DATE], and from that time forward subsequent payments are due and payable, one after the other, on the [DAY] of each month.

I understand and agree that, Seller, may assign this agreement to a bank or finance company and that I will then be required to make my instalment payments to the assignee if I am requested to do so. The bank or finance company, the assignee, shall then have all of the rights of a “Seller” under this agreement.

1. **SECURITY**

I understand and agree that the goods that I have purchased do not become fully mine to do with as I please until I have made all my payments and fully performed this agreement. I grant to the Seller a security interest in the goods I have purchased in accordance with [CODE OR LAW] as that Law/Code is enacted in [COUNTRY]. I understand and agree that the effect of my granting this security interest is that, until I have made all my payments and fully performed this agreement, the goods belong in part to the Seller and serve as collateral to make sure that I will make the payments I have promised and will perform this agreement as I have agreed. If I fail to make these payments or to perform this agreement, the Seller may take the goods back and dispose of them in order to pay off my debt to the Seller. I understand that I remain fully liable at all times for the price of the goods that I have purchased even if they are taken back. If they are taken back and resold, I understand that I become liable for any expenses this may involve and continue to be liable on any part that may still remain due over and above the return made on the sale or disposition.

1. **DISCLOSURE STATEMENT**

In order that I understand completely the terms of this purchase and my payment obligation, the Seller has supplied me with a separate statement called a DISCLOSURE STATEMENT that sets out the essential details of this credit agreement.

1. **RISK OF LOSS**

If the goods I have purchased are lost, damaged, stolen or destroyed, I will still have to pay the Seller all the amounts due under this agreement.

1. **PROMISES**

I make the following promises:

1. The property I have purchased has been purchased for myself, and no one has any interest in the goods except, the Seller, who has retained an interest in them in order to make sure that I make my payments and fully perform this agreement. Except for that interest, the goods are mine and will remain mine, and no one else has any interest in them or claim to them.
2. I promise not to sell or lease or dispose of the goods I have purchased in any way or to use or permit their use by anyone else in any manner that would lessen their value or cause the Seller to worry about the goods. I promise not to use or permit anyone else to use the goods in any manner that is illegal or in violation of any insurance policy. If it should ever become necessary to dispose of the goods, I will do so only after I have first contacted the Seller and then only after the Seller has given clear written consent to such a disposal.
3. I promise to keep the goods insured at all times for their full value against fire, theft, loss and damage with an insurance company that is acceptable to the Seller and, if requested, will deliver the policy or evidence of the policy to the Seller.
4. I promise to pay all taxes, and any and all other charges that may be made on the goods.
5. I promise to keep the goods in good condition and repair and will do everything reasonable to maintain them in their present condition with the exception of the normal wear and tear that is to be expected.
6. The Seller may inspect the collateral from time to time, and I promise to cooperate fully in the making of such inspections.
7. I promise to cooperate fully with the Seller in making this agreement work and, if requested, will cooperate in taking any steps or completing any papers that may become necessary or helpful to protect the interest the Seller has retained in these goods.
8. Use of the Collateral. The Buyer makes it clear and guarantees that the primary use of the collateral is for [PERSONAL, FAMILY OR HOUSEHOLD OR BUSINESS] purposes. The only other use(s) of the collateral is/are [DESCRIBE].
9. Location of the Collateral
	1. The Buyer guarantees that the goods are to be kept at the following place at all times: [FULL ADDRESS].
	2. The Buyer also guarantees that he or she has no plans or intentions to remove the collateral from the above location in the foreseeable future. If a change of location of the collateral does become necessary, for any reason, the Buyer will first notify the Seller and agrees not to change the location without the clear written consent of the Seller prior to any such change.
10. The collateral [will not be attached to real estate or will be attached to real estate, and that real estate is located at (address) and is properly described as follows: (insert legal description). The owner of that real estate, as listed in the real estate records, is [NAME]].
11. Location of the Borrower. The Buyer makes it clear and guarantees that:
	1. Buyer’s legal residence is as follows: [FULL ADDRESS].
	2. Buyer’s place of business is located at: [FULL ADDRESS].
	3. In addition to the above locations, the Buyer has residences or does business at the following locations: [FULL ADDRESS].
12. **FINANCE PAPERWORK**

I agree to cooperate fully and completely and to sign any other papers necessary or helpful to make sure that the security interest I have granted in this agreement is and remains fully and completely effective under the law. I also agree that a carbon, photographic or other reproduction of this agreement or any financing statement signed by me is sufficient as a financing statement should the need arise.

1. **DEFAULT**

If any of the following events occur, I will be in default. When that happens, my main obligation under this agreement will become immediately due and payable in a single lump sum, and I will no longer have the right to pay off my obligation to the Seller in periodic instalments. I must then, if requested, deliver the property serving as collateral to the Seller, or, should the Seller so choose, the Seller may come and take the goods without notice to me and without the need for any legal papers. The Seller may then sell the property and use the proceeds to pay off what I owe the Seller and to pay off as well the Seller’s expenses in having to repossess and sell the goods. These expenses shall include any court costs and attorney fees the Seller may have incurred. If the proceeds are not enough to fully cover all this, I agree to pay the Seller the difference. Should the Seller find it undesirable to sell the collateral, the Seller is free to take whatever other action the law allows.

I shall be in default if any of the following events occur:

1. If I have lied or have not been completely honest in my words and dealings with the Seller, either at the beginning or during the course of this loan, and especially in the loan application papers.
2. If I fail to pay my instalments on time and in full.
3. If I fail to pay any other obligation, I owe to the Seller on time and in full.
4. If I fail to keep all the promises I have made or fail to faithfully perform any of the terms and conditions of this agreement or of any note or other paper I may have signed in connection with this agreement.
5. If I fail to properly care for the goods or use or allow them to be used in any manner that might cause the Seller to worry about their continued use or value as collateral.
6. If I allow the collateral to become attached or levied on in any way.
7. If my financial condition changes to the point that the Seller has cause to worry about whether I will be able to pay off my obligations to the Seller on time and in full.
8. If I allow the insurance on the goods to expire or to be cancelled.
9. If I become insolvent or go bankrupt.
10. If I die or become incompetent.
11. **LAW**

I understand and agree that the law that will be applied to this agreement is the law of the [Country] of [COUNTRY].

This is our agreement, and I understand that when I put my signature on this agreement, I must and will carry out my end of the deal, as must the Seller.

We, the Buyer and the Seller, have signed this agreement on [DATE].

BUYER SELLER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

 NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND defences WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF THE GOODS OR SERVICES OBTAINED PURSUANT TO THIS CONTRACT OR WITH THE PROCEEDS OF THIS CONTRACT. RECOVERY UNDER THIS CONTRACT BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR UNDER THIS CONTRACT.