



Sample Family Loan Deed (Discretionary Repayments)

Important note

This sample family loan deed is provided as a guide and discussion aide only to help families considering setting up an intra-family loan.

It is an example of a simple loan deed to allow for discretionary regular repayments of a loan from a child (and a partner, if applicable) to that child's parents, with the option to charge interest. While regular instalments are discretionary, the loan becomes repayable where title to the property changes (eg. the property is sold). A loan with discretionary repayments may assist with a child obtaining lender financing. However, a parent must be aware that this means that a child may opt not to make regular repayments.

Please visit ASIC's moneysmart.gov.au to access a free calculator which can help you calculate monthly repayments for any loan amount and loan term.

In this sample family loan deed, we have defined the parent as the Lender and the child as the Borrower.

THIS IS NOT LEGAL OR FINANCIAL ADVICE.

We strongly recommend you seek professional advice to ensure your (and your family's) individual circumstances are addressed and appropriately protected. The lender may also wish to seek advice about registering a security interest over the property, such as a mortgage or caveat. This document does not do this.

Version October 2026

Date of this deed:

Parties:

Name of Lender (or Lenders)

Name of Borrower (or Borrowers)

Background:

The parties agree, in exchange for valuable consideration:

- A. The Lender/s has agreed to the request of the Borrower/s to provide a loan;
- B. The Borrower/s are married/in a de-facto relationship [delete/update as applicable]and have both contributed to purchase the property referred to in the Key Terms; and
- C. The parties intend to record their intentions of financial contribution towards the Property as detailed in this Deed.

Key Terms

Lender (or Lenders)	Name: Postal address: Email: (If there are multiple Lenders, then this section may contain multiple parties).
Borrower (or Borrowers)	Name: Postal address: Email: (If there are multiple Borrowers, then this section may contain multiple parties).
Loan Date	[insert date of loan]
Total Loan Amount	\$
Discretionary Repayment Instalments (if applicable)	\$: Dates: (If: A. There are discretionary instalments, then this can be a list of fixed figure instalments with dates for payment of these instalments; or B. no instalments, this can be 'NIL')
Payment Method	Account Name: BSB: Account Number:
Interest Rate (if applicable)	% per annum accrued daily (If no interest will be charged, this can be 'NIL')
Default Rate (if applicable)	2% p.a. above the Penalty Interest Rate in the State or Territory of the Property. _____
Property	Address (if known): Certificate of Title Volume _____ Folio

The Parties agree as follows:

1. Loan

- a. The Lender will advance the Total Loan Amount to the Borrower on or prior to the Loan Date.
- b. The Borrower must use the Total Loan Amount for the purchase, refinance or renovation of the Property or for such other purpose approved by the Lender.

2. Interest Rate

- a. If the Key Terms specifies that an Interest Rate is payable, the Borrower must pay interest on the amount outstanding at the Interest Rate.
- b. Interest will accrue daily and will be calculated from and including the day when the Total Loan Amount is advanced to the Borrower.
- c. [OPTIONAL – Delete if default interest is not applicable] The Borrower must, on demand by the Lender, pay interest on any money which is due and owing but remains unpaid at the Default Rate until such money is paid in full.

3. Repayment

- a. The Total Loan Amount provided by the Lender is not a gift. The Borrower must repay the Total Loan Amount as follows:
 - 1. at the sole discretion of the Borrower, in accordance with the Discretionary Repayment Instalments, as set out in the Key Terms; and
 - 2. in full, promptly on any change in title (including, without limitation, a sale) of the Property.
- b. Unless otherwise agreed, any payments made by the Borrower to the Lender under this Deed must be made using the Payment Method in immediately available funds, without set-off, counterclaim, conditions or deduction or withholding.

- c. For the avoidance of doubt, the Borrower may prepay the Total Loan Amount in part or in full without penalty. If the Borrower prepays the amount owing in full, the Borrower must also pay any other amounts due and payable under this Deed in full.

4. Confidentiality

The parties must keep the terms of this Deed confidential, save for any necessary disclosure to their respective legal and financial advisors.

5. General

- a. Each party represents and warrants that this Deed constitutes legal, valid and binding obligations.
- b. An amendment or variation to this Deed is not effective unless in writing and signed by all parties.
- c. This Deed is governed by the laws of the State or Territory in which the Property is located and the parties submit to the non-exclusive jurisdiction of the courts of that state or territory and the Federal Court of Australia.
- d. This Deed is the entire agreement and understanding between the parties on everything connected with the subject matter of this Deed, and supersedes any prior understanding, arrangement, representation, or agreements between the parties as to the subject matter contained in this Deed.
- e. In the interpretation of this Deed:
 - 1. A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any statutory instrument issued under, that legislation or legislative provision;
 - 2. A word in the singular includes the plural and vice versa;

3. A word denoting an individual or person includes a corporation, firm, authority, government body and vice versa;
4. A word denoting a gender includes all genders;
5. A reference to a recital, clause or schedule is to a recital, clause or schedule of or to this document;
6. A reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as varied, novated, supplemented or replaced from time to time;
7. A reference to any party to this document, or any other document/ arrangement, includes that party's executors, administrators, substitutes, successors and permitted assigns;
8. A reference to 'dollars' or '\$' is a reference to Australian currency; and
9. Obligations under this Deed affecting more than one party bind them jointly and each of them severally.

EXECUTED AS A DEED

SIGNED, SEALED AND DELIVERED by

Signature of witness

Print Name of Lender

Signature of Lender

SIGNED, SEALED AND DELIVERED by

Signature of witness

Print Name of 2nd Lender (if any)

Signature of 2nd Lender (if any)

SIGNED, SEALED AND DELIVERED by

Signature of witness

Print Name of Borrower

Signature of Borrower

SIGNED, SEALED AND DELIVERED by

Signature of witness

Print Name of 2nd Borrower (if any)

Signature of 2nd Borrower (if any)