

LEGAL DRAWING UP A LOAN AGREEMENT

Q *I'm looking to loan a friend's horse who I've been riding for two years, but I've never loaned before and I'm not sure where to start. What do I need to consider and what should be included in the loan agreement? Any information appreciated!*



Hanna Campbell says

You're right to be keen to ensure a loan agreement is drawn up prior to you taking over responsibility for your friend's horse. Having a dispute with a friend can often be more difficult than if you were to fall out with a stranger. An agreement avoids misunderstandings (if drawn up properly) that may arise over issues such as payment of vet's bills, terms of use and payment of insurance.

Having the terms of the loan documented in writing will give you legal protection in addition to peace of mind, and you will be able to refer to the loan agreement should a

dispute arise. The loan agreement should stipulate, for example, the standard of care you should provide and the duration of the loan. I'd recommend including a clause that permits termination of the loan agreement by either party, providing one month's notice is given. This ensures, in the event of your circumstances changing so you're unable to continue to care for the horse, you'll not be in breach of the contract should you wish to return him earlier than agreed. The British Horse Society has a template loan agreement you can adapt to suit your requirements.

You do not state whether or not the horse is to remain at his current yard.

If he isn't you should confirm within the contract that you're entitled to keep him at the yard you intend to move him to, and stipulate who is to be responsible for the transportation (assuming the new yard is not within hacking distance).

The agreement should highlight whether or not tack is included and insurance should be in place to cover this, as well as death, theft, vet's fees, loss of use and public liability. Either party may take out the policies, but if your friend is happy to continue to pay for said cover you should ensure the loan agreement stipulates that she is responsible - and have her confirm in writing that all policies are in place.

I would personally insist on seeing and taking copies of said policies if you're not putting them in place. Do ensure you are covered to ride the horse under said policy and that they're renewed at the required time.

**A loan agreement
will help avoid
misunderstandings**

