**FORM 12: Example Promissory Note in Payment of Civil Penalty**

EA-[YY]-[XXX]

[Licensee Official]

[Title]

[Name of Licensee]

[Address]

SUBJECT: PROMISSORY NOTE IN PAYMENT OF CIVIL MONETARY PENALTY

Dear Mr. (Ms.) (Mrs.) [Licensee Official–Last]:

This refers to your request on [Date], for a possible installment plan for the balance due on invoice number [Invoice Number] in response to the Proposed Civil Monetary Penalty issued to you on [Date NOV/CP Issued]. Based on its review of the information you provided, the staff is satisfied with the enclosed installment plan agreement in light of your financial condition and, consistent with the public interest, agreed to this settlement.

Enclosed is the Promissory Note with a revised projection of the amount due. The principal balance due is $[Amount]. You are requested to sign the Promissory Note and return it to the address shown on page one of the agreement as soon as possible. Your first installment should be received by our office on or before [Date of First Payment].

Please note that your signature constitutes a waiver of your right to contest the amount of the civil penalty and the underlying violations and empowers the United States to obtain a judgment against you without a hearing in the event that you fail to make a required payment.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and any further response will be made available electronically for public inspection in the NRC Public Document Room and from the NRC’s Agencywide Document Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

 Sincerely,

[Name], Chief

Financial Services and Operations Branch

Branch Division of the Comptroller

Office of the Chief Financial Officer

Enclosure:

As stated

**U.S. NUCLEAR REGULATORY COMMISSION**

**WASHINGTON, D.C. 20555-0001**

**PROMISSORY NOTE IN REPAYMENT OF PREEXISTING DEBT**

1. Obligation - For value received, [Name of Licensee] (hereafter referred to as the Maker) promises to pay to the order of the U.S. Nuclear Regulatory Commission the principal sum of $[Amount], with interest accruing from [Date of First Payment], at the rate of [Percentage Rate] percent per year and an administrative charge of $[Charge Amount] a month, for each invoice. This note is being given for the purpose of refinancing and paying off an amount which constitutes the sum of the principal due and all unpaid interest and other charges owed to the United States on the civil penalty debt $[Civil Penalty Amount] under invoice number EA-[YY]-[XXX]. The Maker hereby acknowledges and admits the validity and amount of that preexisting debt, which the principal sum stated in this note is intended to repay.

2. Installments - This note is to be paid in (Insert amount of installments) installments. The first installment starts [Date of First Payment], and monthly thereafter, on or before the {“first” or “fifteenth”} day of the month, until either the principal sum and all interest and other charges assessed under the provisions of this note have been fully paid, or this note is considered to be in default. Payments should be made payable to the U.S. Nuclear Regulatory Commission and mailed to the following address:

U. S. Nuclear Regulatory Commission

ATTN: Financial Services and Operations Branch

P.O. Box 979051

St. Louis, MO 63197-9000

The schedule of installment payments is provided on page [#].

3. Default, Acceleration, and Other Remedies - In the event of default, the full amount of the principal sum, together with any accrued interest and other charges assessed under this note, less any payments actually received by the United States from the Maker, shall be due and payable in full immediately, without the need for further demands or notices to the Maker. Furthermore, in that event, the Maker agrees that the United States may exercise any collection options legally available to it, including, but not limited to, taking administrative offset, hiring a private debt collection agency, filing adverse credit reports to local and national credit bureaus, referring the Maker's account for legal action, and suspending or revoking any license or privilege which the U.S. Nuclear Regulatory Commission has granted to the Maker.

4. Default Costs and Fees - In the event of default, the Maker agrees to pay all reasonable collection costs, court costs, and attorney's fees incurred by the United States as a result of the default and any appropriate collection actions taken by the United States.

5. Prepayment - The Maker has the right to make payment of all or any part of the principal at any time on or before any principal payment due date. A payment of principal only is known as a "prepayment." When a prepayment is made, the Maker will notify the U.S. Nuclear Regulatory Commission in writing that the Maker is doing so. The Maker may make full prepayment or partial prepayments without penalty or premium. The U.S. Nuclear Regulatory Commission will apply any such prepayments to the next remaining installment of principal. If partial prepayment is made, there will be no changes in the due date or in the amount of monthly payment unless the U.S. Nuclear Regulatory Commission agrees in writing to those changes.

6. Controlling Law - Except where controlled by Federal law, all disputes concerning this note shall be controlled by the law of the jurisdiction in which the Maker is incorporated at the time this note is signed.

7. Changes - The provisions of this note may not be changed except by a written agreement which specifies the agreed-upon changes and which is signed by the Maker and an authorized representative of the United States.

8. Legal Effect - This note shall not be effective or legally binding upon the Maker or the United States until the date it is signed by an authorized official of the Maker.

9. Signatures and Certification - I, as the Maker, do hereby certify that I have read and understood the terms of this note.

SIGNED: This \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Maker's Signature Printed Name Title

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address

I am an authorizing official of the Maker and do certify that the Maker is incorporated in the State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at the time this note is signed and that the signature above is that of an individual authorized to enter into a promissory note for the Maker.

SIGNED: (If different from Maker’s Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Printed Name Title

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address

10. As an authorized representative of the United States, I hereby agree to the payment of this debt owed by the Maker to the United States under the terms of the installment agreement evidenced by this note.

COUNTERSIGNED: This \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Printed Name Title

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Agency

SCHEDULE OF INSTALLMENT PAYMENTS

Beginning balance: $[Amount]

To be paid monthly, beginning on: [Date of First Payment]

 Admin. Principal

Due Date Principal Interest Charge Installment Balance

{Fill in appropriate payment schedule}