

KARIBU EMG LOAN APPLICATION AND AGREEMENT FORM

Please read loan agreement and declarations on part 2.3 before you fill this form

Serial Number.....

DATE OF APPLICATION M/NO..... PNOFORM NO.....

PART 1.0: APPLICANT'S PARTICULARS

1.1. Name: ID No: Date of Birth:

1.2. Home address: City/Town:

County: Nearest institution to home:

1.3. Source of Income: Salary/Business/Others..... Occupation.....

1.4. Employer: Work Station

Postal address: P.O. Box Postal Code City/Town.....

1.5. Terms of Service: Permanent/Temporary/Contract/Others (specify).....

1.6. KRA PIN: E-mail: Mobile No.....

PART 2.0: LOAN PARTICULARS

2.1. I wish to apply for Kshs..... In words
..... For a period
of..... Months.

2.2. Purpose of the Loan:

PART 3.0: LOAN AGREEMENT AND BORROWER DECLARATION.

I hereby declare that the foregoing particulars are true to the best of my knowledge and belief. I agree to abide by the society's By-laws, Credit Policy and Terms and conditions. I further declare that I understood the terms of this loan product and I hereby authorize Chuna Sacco to credit the proceeds of this loan to my FOSA Account. I do accept personal liability for the repayment of the principal and interest amounts until full settlement is done in consideration of Chuna Sacco Society Limited (The Society) granting me the amount of loan herein applied for or as may be approved by its Board of Directors, I hereby declare THAT,

1. I am a member of the society and shall not withdraw from the society or commit to do anything which may result in my said membership being withdrawn, suspended or cancelled while the loan herein is outstanding.

2. My deposits together with those of my guarantors are sufficient to secure the loan amount applied herein.

3. My current and future employers are authorized to deduct and directly remit, from my salary or wages, the amount indicated herein or may be advised by the Society as the monthly repayment amount until payment in full. These instructions shall remain irrevocable until the loan amount herein has been fully repaid together with interest therein as may from time to time be advised by the Society.

4. In the event that I am not salaried at the time of entering this agreement or I have opted to service the loan through other means other than by the way of check off by the employer, I undertake to pay the amount or give standing order and maintain such as the society may consider adequate and to review it from time to time as may be advised by the society. I shall also give to my bank an irrevocable standing order for the monthly repayment amount indicated herein, or as advised by the society, in favor of the Society; and I shall not revoke the said standing orders while the amount herein remains unpaid.

5. I understand that the Society may, at its sole discretion, treat as a breach of loan conditions should I revoke the instructions in paragraph 3/4 above without obtaining the prior written consent of the Society.

6. In the event that my current employment is for whatever reason terminated while the loan herein is not fully repaid, I shall immediately and not later than 14 days notify the society, and in the event that I have taken up new employment to immediately notify the Society of the details of the new employment.

7. In the event that I should, for whatever reason, leave the service of my present employer, any sum of money due to me from the said employer shall be used to settle any balance remaining unpaid on account of the loan amount herein.

8. I understand that I am obliged to repay the loan amount and the interest as stipulated in this agreement or as maybe advised by the Society from time to time. In the event that I default in servicing the loan or in any manner breach the loan conditions, the Society reserves the right to recover the amount due under this agreement by settling off against my deposits or other monies held in my account(s) with the Society or any of its affiliates, or employ any other legal means to recover the outstanding amounts including attaching my property.

9. I authorize Chuna Sacco Society Limited to carry out credit checks with or obtain my credit information from, a credit reference bureau

10. I understand that in the event that I default in servicing the loan amount herein, the Society reserves the right to share my credit information with other financial institutions, public authorities and the licensed Credit Reference Bureaus, Subject to any applicable law.

11. I warrant that in the event of disclosure of my credit information as stated above, I shall have no claim against the Society or any of its officers, servants, directors or agents, and I shall indemnify the Society against any loss or injury arising out of any claim brought by myself or on my behalf as a result of such disclosures.

3.1 GENERAL TERMS.

It is hereby mutually agreed and declared that the following terms and conditions shall in addition to the foregoing apply to this agreement.

a) The loan amount in this agreement shall be available to the borrower on completion to the satisfaction of the Society of all formalities appertaining to the security of the loan.



b) The borrower shall pay interest on the loan amount outstanding at the prevailing rates or at such other rate the Society in its sole discretion determine and shall pay such interest in arrears.

c) The Society reserves the right to determine, change the rate of interest and or the basis in which it is calculated.

d) The loan repayment frequency shall be once a month, or as may be advised by the society from time to time.

e) Fees and charges to cover administrative cost shall be paid by the borrower. Such fees and charges will be in accordance with prevailing Society tariffs.

I hereby confirm that I have read, understood and accepted the above loan terms and agreement.

Applicant Name Signature.....
Date.....

Witness (must be an active member)

Name..... MNO..... ID NO.....
Address.....

Signature..... Date.....
.....

3.2 LOAN SECURITY

I offer the following security

Salary Deposits and savings Guarantors Logbook Other Specify

Conditions.

For all loan application attach **ID copy** and at least **two copies** of recent Pay-slip and or bank statement.

CAUTION Guarantors are advised to read all the information supplied in this form by the applicant and terms and conditions contained in order to understand the full implication of loan guarantee.

3.3 DECLARATION BY GUARANTORS

In consideration of guaranteeing the above or any lesser amount that may be approved we, the undersigned, hereby jointly and severally accept liability for the repayment of the borrower's loan in the event of default. We understand and authorize that the amount in default be recovered by an offset against our deposits in the Society, by attachment of our property, salary and other benefits. We understand that the amount in default **may render us ineligible for loans unless the amount in default has been cleared in full.**



I/We understand that in the event that the applicant defaults in servicing the loan amount herein and I/we also defaults the amount allocated, the society reserves the right to share our credit information with other financial institutions, public authorities and licensed Credit Reference Bureaus, subject to any applicable law.

I/ we warrant that in the event of disclosure of our credit information as stated above, I/we shall have no claim against the society or any of its officers, servants, directors or agents, and we shall indemnify the Society against any loss or injury arising out of any claim brought by ourselves or on our behalf as a result of such disclosures.

The applicant must fill the amount applied before the guarantors fill their part.

Guarantors Name	M/No.	P.No.	ID. No.	Sign	Mobile Number	Guarantors Approved/Rejected

PART 4.0 :FOR OFFICIAL USE ONLY

Guarantor's Eligibility and collateral verified by..... Sign..... Date..... /..... /.....

Amount Qualified.....Repayment Amount.....Repayment Period.....

Recovery Mode: Check off KshsSTO Ksh.....Net Salary After appraisal.....

Deferred/Rejected (Reason).....

Appraised by..... Signature..... Date..... /..... /.....

5.0: OTHER GENERAL TERMS AND CONDITIONS

5.1 Application must be made on the official loan form fully completed and appropriately signed by both the Loan Applicant and Guarantor(s) in their own handwriting.

5.2 Any amount of money deposited by a member either in cash or by cheque to boost shares shall wait for six months, or pay 10% of the boosting amount, before that amount can be used to secure a loan.

5.3 A member whose share contributions or loan repayments have fallen off the payroll but has continued repaying his/her loan and needs a new loan will be required to update his/her shares and loan repayment account by repaying in cash or authorize an offset from loan of an equivalent amount of the arrears.

5.4 Any member who clears his/her loans by cash/cheque before end of repayment period must wait for 2 months before being considered for a loan and subject to the policy in force.

5.5 Guarantors must be members of the Society who shall not guarantee more than twice of their savings.

5.6 This loan will attract a processing fee of Ksh. 500 which will be recovered up-front.

5.7 Members on short term contract terms of employment to be granted loans at 80% of their deposits if they do not have a renewed contract. Whereas, those with a contract will be granted and recovered loans within their contract period.

5.8 Minimum share contribution for members is Ksh. 2,500.00 per month and/or subject to policy in force.

5.9 Loans shall be appraised based on 3 times of members' savings and ability to repay. The applicant must always remain with at least one third (1/3) of basic salary as NET PAY after all deductions have been made.

5.10 A Member can qualify for another loan after paying the karibu loan for at least three months provided the new loan clears the karibu loan. Top up interest of 10% shall be charged on outstanding balance and recovered upfront. The new loan will comply with specific terms and conditions of that product.

5.11 All Loans shall be paid to member's FOSA account. If a member decides to cancel his/her loan after the process has been finalized, a fee of 10% of the amount applied for shall be charged.

5.12 No alteration whatsoever will be allowed on the loan form.

5.13 Loan Insurance fee is charged at 1.8% of the granted Loan amount and is recoverable upfront.

5.14 The SACCO reserves the right to involve the services of registered debt collectors and auctioneers to recover any amount arising from default.

5.15 The SACCO may accept collaterals from loan applicants. The loan applicant shall bear all the costs pertaining to the collateral being acceptable and charged.

PART 6. SPECIFIC TERMS AND CONDITIONS.

6.1 Maximum repayment period is 12 months.

6.2 Interest rate-2% p.m on reducing balance.

6.3 Maximum loan amount Ksh. 100,000

6.4 Minimum monthly deposit contributions Ksh. 2,500; Ksh. 300 chumbefu and Ksh. 500 share capital.

6.5 Ksh.500 fixed processing fee.

6.6 Ksh.5000 will be deducted upfront to form the members initial share capital.

6.7 A third of the loan is recovered up-front to form initial member's deposit.

I hereby confirm that I have read, understood and accepted the above others and specific loan terms and conditions.

Applicant name signature Date.....

Witness (must be an active member)

Name MNO ID NO Address.....

Signature Date.....