

## TERMS AND CONDITIONS

### Grant of Credit Facilities

Lainisha SACCO Society Limited (hereinafter referred to as 'The SACCO') may approve or decline an application for a credit facility at its absolute discretion.

### Interest

Interest on all credit facilities will be calculated at the beginning of the month on monthly overdrawn balances at the prevailing interest rate and shall be payable to the SACCO as monthly arrears. Interest for the whole month will be calculated during application despite the date of application

### Charges, Fees, Penalties

The SACCO reserves the right to recover such charges and fees as reviewed from time to time by publication in its tariff of charges. a copy of the tariffs will be made available on request. Where payment due from the Applicant is not received by the due date of payment, the SACCO reserves the right to charge overdue and/or default interest. All charges are inclusive of government taxes. The rate of the overdue and/or default interest shall be an amount over and above the normal rate applicable.

### Lumpsum deposits

Lumpsum deposits for loan exceeding ksh.50,000.00 for failure to wait for 90 days will be charged 5% of the said deposits.

### Share Capital Boosting

A member who has not attained share capital of ksh 25,000.00 to be boosted with 10% deduction on loan granted until the said amount is attained.

### Joint and Several Liability

The nature of guarantor responsibility will be joint and severally, and they will only exercise their rights of subrogation upon payment of the whole debt.

### Insurance

The SACCO will deduct all the insurance premium at the time of loan application to cover death and/or disability, through the SACCO's approved insurance firms to cover the risks. The Loan Applicant also understands and accepts that in the event of default or delay in payment of loan, the insurance will not be valid, and the Loan Applicant will continue to be liable for repayment of all monies due to the SACCO. The Loan Applicant also understands and accepts that not all types of disability or death may be covered by insurance. The Loan Applicant will continue to be liable for any shortfall in the amount received from the insurers.

### Security

The Applicant agrees to pay all charges, fees rates, levies or taxes that are or may become payable on the security. The Applicant also irrevocably authorizes the SACCO to pay such charges, fees, rates, levies or taxes on his/her behalf and to include them as part the amount owed by the Applicant. The SACCO may at its discretion call for tangible securities from the Applicants. Or if the Applicant is employed, the SACCO may at its discretion request the Applicant's employer to remit the loan repayments through the checkoff system.

### Events of default

- 1.The society reserves the right to recall the entire loan in the event that a borrower defaults on loan repayments. Borrower's withdrawable and non-withdrawable deposits and any interest on deposits/ dividends due to the member will be utilized to offset against the outstanding loan balance.
- 2.The society shall repossess/ dispose of any collateral/any other security offered as security to recover the loan.
- 3.The borrower will bear any costs incurred in collection of the loan and any related costs.
- 4.The society reserves the right to list a defaulter with the Credit Reference Bureau if the account has not been regularized upon notification and lapse of the notice period.

### Notices

The Applicant agrees to accept service of all notices and communication at the last postal or physical address given by the member, and the date on the SACCO's copy of any communication is taken to the date of such dispatch in the absence of proof to the contrary. All notices and processes sent by registered post will be deemed to have been received four (4) days after the date of posting and all notices and processes delivered by hand shall be deemed to have been received on the day of delivery. The Applicant may deliver any notices by registered post at the SACCO's registered address, and the notice is deemed to have been received on the day of delivery at the SACCO.

### Appropriation

All amounts received by the SACCO will be first apportioned towards overdue interest, charges/fees and interest. Any balance left thereafter will be appropriated lastly towards principle. The SACCO reserves the right to acceptance of post-dated cheque or such other instruments towards payment or settlement of the credit facility.

### Disclosure of credit profile to credit reference bureau (CRB).

I confirm that I have authorized Lainisha Sacco Society Limited to access my credit profile and that this profile can be delivered to their e-mail/postal address indicated herein and hereby authorize Metropol Credit Reference Bureau Limited to mail/deliver/send my credit report to the e-mail/postal address indicated herein. I release Metropol Credit Reference Bureau Limited and Lainisha Sacco Society Limited and its officers, employees and agents from all claims, actions or proceedings of whatsoever nature and howsoever arising, suffered or incurred in connection with Metropol Credit Reference Bureau Limited sending/delivering/mailling my credit report to the addresses that I have provided.

### Indemnity

The applicant agrees to fully indemnify the SACCO against all costs and expenses [including legal fees] arising in any way in connection to the Applicant's accounts, these terms and conditions, in enforcing these terms and conditions or in recovering any amount due to the SACCO or incurred by the SACCO in any legal proceedings of whatever nature.

### Waiver

No forbearance, neglect or waiver by the SACCO in the enforcement of any of these terms and condition shall prejudice the SACCO's right thereafter to strictly enforce the same. No waiver by the SACCO shall be effective unless it is in writing.

### Data Privacy

Lainisha Sacco is committed to keeping your personal data private. We shall process any personal data we collect from you in accordance with data protection legislation and the provisions of our data protection policy. I the undersigned confirm that I have read and understood the terms of this policy and hereby give the Sacco consent to collect and process my data pursuant to terms as set out in the Sacco's data protection policy available at the Sacco website: www.lainishasacco.co.ke.

### Acceptance

I confirm that I have read the terms and conditions (as printed above) governing the grant of credit facilities and agree to be bound by them should my loan application be approved.

### Signature/Thumbprint of Applicant

Sign .....

Posted by .....

Designation.....

Sign.....

Date.....

# LAINISHA SACCO SOCIETY LIMITED

P.O. BOX 272-10303  
WANG'URU TEL:  
0705-492352



Email: [info@lainishasacco.co.ke](mailto:info@lainishasacco.co.ke)  
Website: [www.lainishasacco.co.ke](http://www.lainishasacco.co.ke)

## STAFF LOAN APPLICATION AND AGREEMENT FORM

BRANCH : HQ-MWEA

### A. APPLICANT'S PERSONAL AND EMPLOYMENT DETAILS.

Applicant Name.....  
Id.No/Passport.....Mobile No.....  
KRAPin.....Member No.....PostAddress.....  
Village.....Email Address.....

### i). EMPLOYMENT DETAILS

Employer.....  
Terms of employment A).Permanent.  B).Temporary.  C).Contract.

If contract/temporary for what period.....months.....years.  
Date of employment.....Designation.....Payroll/staff NO.....  
Department.....workstation.....county.....

### B. LOAN APPLICATION.

I Mr./Mrs./Miss.....  
hereby apply for a loan of Ksh.....(in words).....  
.....on (Date).....

### C. PURPOSE FOR WHICH THE LOAN IS APPLIED.

### D. SECURITY WHICH I OFFER FOR THE LOAN.

- 1.Non-withdrawable deposits.
2. Saving.
- 3.Salary.
- 4.Guarantorsdeposits/gratuity/savings&salary.
- 5.Others (Specify).....

**NB: In case of default in repayment the society shall be at liberty to realize either of the security or all.**

Applicant's signature .....

Thumbprint

### E. GUARANTORS.

In consideration of guaranteeing the above or any lesser amount that may be approved, We the undersigned agree to be jointly and severally responsible for repaying the total amount due to the society by the borrower if he/she fails to pay within the time the loan becomes payable. We understand that the amount in default will be recovered as an offset against our deposits or by attachment of our salary. We confirm that the meaning of this loan agreement and this guarantee has been explained to us in .....(Language) and that we have understood it.

1.Name.....MemberNo.....I.D No.....  
Mobile No..... Staff No.....  
Guaranteed amount .....

Sign..... Thumbprint

2. Name..... Member No..... I.D No..... Mobile No..... Staff No..... Total Nwd..... Guaranteed amount ..... Sign..... Thumbprint

3. Name..... Member No..... I.D No..... Mobile No..... Staff No..... Total Nwd..... Guaranteed amount ..... Sign..... Thumbprint

4. Name..... Member No..... I.D No..... Mobile No..... Staff No..... Total Nwd..... Guaranteed amount ..... Sign..... Thumbprint

5. Name..... Member No..... I.D No..... Mobile No..... Staff No..... Total Nwd..... Guaranteed amount ..... Sign..... Thumbprint

**F. TERMS OF THE LOAN.**

- 1. Loan repayment will be deducted from the salary
  - 2. Present rate of interest .....
  - 3. Commencement Date ..... Final Due Date.....
  - 4. Loan period .....
  - 5. Repayment will be done monthly
  - 6. Insurance fund - **1.2%** on Principal Loan for the first year. - **1.2%** p.a on expected amortized loan balance to loan granted for more than 1 year.
  - 7. Loan processing charge on Principal Loan (tick where appropriate) **A)** 1.9% [ ] **B)** 2.5% [ ] **C)** 3.1% [ ]
  - 8. Loan appraisal fee on principal loan(tick where appropriate) **A)**1,000-50,000 Ksh.200 ( ) **B)**50,001-500,000 Ksh.500 ( ) **C)** Above 500,000 Ksh.1000 ( ) .
- N.B** The lender reserves the right to revise the terms of the loan without reference to the borrowe

**G. GENERAL CONDITIONS FOR THE LOAN.**

- 1. The borrower agrees to pay LAINISHA SACCO SOCIETY LIMITED. The whole principal amount, interest and other incidental charges in accordance with the agreement.
- 2. The borrower pledges not to dispose off any property (ies) this loan has been secured in until this loan is fully repaid. By-Law 72.
- 3. All other stated rules by the minister for Cooperative Development and Marketing, the society by-laws, the loans policy and the stipulations of the Sacco Societies Act. No.14 of 2008 in connection with lending are considered as part of this agreement.

**H. MEMBER DECLARATION**

I certify that the above information is true to the best of my/ our knowledge and belief. I/We authorize you to obtain any information you may require relating to this application from my/our banker if any and from any other source to which you may apply. Each source is hereby authorized by me/us to provide you with such information which you may consider necessary for confirmation of credit assessment. I/We undertake to notify the SACCO immediately of any situation which materially changes the representation of this application. I/We hereby authorize the SACCO to disclose any and all information in respect of my/our account to the guarantors for as long as the guarantor's liability of this debt outstands and other third parties. I/We confirm that I/We am/are in good health. I/We have read, understood, accept and agree to abide by the terms and conditions of the loan facility now in force and as may be changed from time to time. I/We append my/our signature(s) as confirmation of this declaration.

Sign.....

Date.....

Thumbprint

**I. FOR OFFICIAL USE ONLY**

Capital Shares (Kshs) ..... Non-withdrawable Deposits (Kshs) .....  
 Gratuity/Pension (Kshs)..... Outstanding Loan (Kshs) .....  
 Member savings balance (07) .....

Details	DR (kshs)	CR (kshs)
<b>Gross pay</b>		
Total statutory Deductions		
Mrgm debt		
Margsta debt		
Sacco debt		
Total		
<b>Expected Gross Net Pay</b>		
Advance Applied (deduction)		
<b>Expected Net Pay</b>		
Repayment period		

**i) COMMENTS BY THE OFFICER TABULATING**

.....  
 .....

Name ..... Sign.....Designation..... Date.....

**ii) COMMENT ON BEHALF OF THE EMPLOYER**

.....  
 .....

Name ..... Sign.....Designation..... Date.....

**iii) SIGNATURE ON BEHALF OF THE SOCIETY.**

I certify that the meaning of this agreement guarantee, and overleaf general conditions have been explained in ..... (Language) by me to the borrower and the guarantors and they have under stood it and signed.

**SOCIETY STAMP.**

Name ..... Sign .....

Designation .....Date.....

**iv) APPROVAL.**

Amount approved .....Amount rejected.....

Comment by the Credit Manager.....

.....

Name ..... Designation..... Sign.....Date.....

**Signed on behalf of Board of Directors by,**

Name ..... Post..... Sign.....Date.....