

KINGA

NWDT SAVINGS & CREDIT CO-OP SOCIETY LTD
P. O. Box 22951,00400, NAIROBI

LOAN APPLICATION FORM

COOPMIS LOAN No:

PERSONAL INFORMATION SECTION

Full Names:Sacco Membership No:

Cell Phone number:Personal Postal Address: Code:Town:

National ID/ Passport Number: (N/B: *Attach a copy*) KRA PIN No:

Personal email address: Work email address:

Current PSI/PS Kenya Employee: Yes No If Yes, state end of contract date:

Former PSI/PS Kenya Employee: Employed Business

PHYSICAL ADDRESS

Town: Estate:

Road:House Number: Landmark:

Alternative contact details (Preferably a close relative who must be above 18 years)

Name: Cell-phone No:

LOAN INFORMATION

Amount of Loan being applied for (In Figures) Kshs : (In words)

Loan Type: Tick on the loan being applied;

Normal Loan (NL)	Normal Plus Loan (NPL)	Emergency Loan (EL)	School Fees Loan (SFL)	Ji-inue Loan (JL)
------------------	------------------------	---------------------	------------------------	-------------------

Purpose of Loan

Repayment Period Offset existing Loans (Specify)

LOAN DISBURSEMENT:

I am authorizing Kinga Sacco to transfer my loan amount to the following bank/ M-pesa account (N/B: Funds will be net of any loan balances being off-set, insurance charge of 1% of the loan and applicable bank charges)

EFT RTGS M-Pesa (Maximum Kshs.250,000)

Account Name: Bank:

Branch: Account No:

Mobile Name (*For Mpesa Only*): Mobile No:

Signature of loan applicant: Date of application:

LOAN SECURITY/ GUARANTORS

Declaration by the Guarantor(s)

I/We hereby jointly and severally agree to act as guarantor(s) to the above-named applicant on account of the balance of the loan that shall remain outstanding in the event of default, after applying all that shall be due to the applicant in the form of shares and/or other deposits from the society, and that I/We shall make good of the same from my shares/deposits with the society or from other external sources. N/B: Any guarantor with loan arrears of two instalments or more will not be approved.

Member Name	Member No.	Amount Guaranteed	Signature	Mobile No.	Approved/Rejected

FOR OFFICIAL USE ONLY

LOAN APPRAISAL INFORMATION – N/B; this analysis is excluding salary advances Loans

Members’ Deposits Kshs.....Total of all current outstanding Member Loan Balances Kshs.....

Each Loan type applied through this form should not exceed 3.5 times the deposits i.e. Kshs.....

New value of Member Total Loan balances after disbursement of the applied loan will be Kshs.....

Maximum Loans combined should not exceed 3.5 times the deposits or Kshs 6M i.e. Kshs.....

1/3 Rule Qualification; Payrolls & Bank/Mpesa Statements approved? Yes No N/A

As per the appraisal analysis, the member qualifies for a loan of Kshs;

Sacco Accountant Signature: Date:

Credit Chairman Signature: Date:

Credit Secretary Signature: Date:

Credit Member Signature: Date:

Signatories (Name & Title) who approved loan disbursement from the bank (Co-op Bank Internet Banking System);

1. Date of Approval:

2. Date of Approval:

3. Date of Approval:

GENERAL TERMS & CONDITIONS

INTRODUCTION

The loans below are offered by the Sacco to its members;

Loan Type	Maximum Amount (KES)	Max period (Months)	Interest charge	Entitlement	Security	Can off-set a similar loan type?	Can off-set a different loan type?	Insurance Charge & Notes
Normal Loan - NL	5,500,000	72 months	1% reducing balance	3.5 times Savings	Guarantors	Yes	Yes	1% of net loan if loan(s) being off-set has been re-paid by 50%, otherwise 1% of gross loan
Normal Plus Loan - NPL	5,500,000	48 months	1% reducing balance	3.5 times Savings	Guarantors	No	Yes	1% of net loan if loan(s) being off-set has been re-paid by 50%, otherwise 1% of gross loan
Emergency Loan - EL	200,000	12 months	1% reducing balance	3.5 times Savings	Guarantors	No	Yes	1% of gross loan
School Fees Loan - SFL	200,000	12 months	1% reducing balance	3.5 times Savings	Guarantors	No	Yes	1% of gross loan
Ji-inue Loan - JL	Subject to 1/3 rule	6 months	1% reducing balance	3.5 times Savings	Guarantors	No	Yes	1% of gross loan. This loan is solely for the purchase of items through Kinga Sacco e.g. tanks, phones etc
Salary Advance Loan - SAL	Based on Net Salary	3 months	2.5% straight line	N/A	N/A	No	Yes	1% of gross loan

N/B: Salary Advance is applied on a separate advance salary form

The general rules and regulations (Terms & Conditions) applicable are as enumerated below:

- All loans shall be given only for worthy purposes that will benefit the borrower and shall be approved by the credit committee.
- The loan applicant must have been a member of Kinga for a **minimum of six (6) months**, fully paid up the **share capital of Ksh 10,000** and have contributed **at least Ksh 12,000 in deposits**. Exception is on salary advance loan.
- A duly filled and signed loan application form shall be forwarded to Kinga Sacco (**physically or on email**) where upon receipt shall be entered into the system and the system generated loan number indicated on the loan form. The accountant will update appraisal details and liaise with payroll and credit committee for approval processes.
- Loan application shall be considered in the order in which application is received (**First in First served basis**).
- Where total loans applied exceed the available funds allocated for loans, **preference shall be given to applicants with no other existing loans**.
- Where an approved loan cannot be disbursed in full due to the available funds, the Sacco will reach out to the borrower and agree on a disbursement schedule. **The final disbursement will be deemed as the loan issuance date**.
- The interest rate on loans shall be **1% p.m. on reducing balance** basis except for salary advances which will be **2.5% p.m. straight line**.
- The interest is charged on **the outstanding loan balance on 25th of each month**.
- All loans combined shall **not exceed 3.5 times** of member savings and **Kes.6,000,000** in value. N/B: This consideration excludes **salary advances**.
- A member can guarantee a **maximum 6 loans** inclusive of own loan(s). **No member is allowed to guarantee if he/she has existing loan arrears of two instalments or more**.
- A member can guarantee **only one of his/her loan(s)**. Exception is where **own savings exceed own loan(s)** and there is room to guarantee other own loan(s).
- A negative CRB report automatically leads to a rejection of a loan application**. Exception is on fully self-guaranteed loans.
- Member **shall not suffer more than 2/3 of his gross pay or average monthly receipts in deductions**. Exception is for members outside PSI/SPK for fully self-guaranteed loans where bank statement/pay-slip shall not be required. Therefore, **payroll will approve all loans for PSI and PSK employees** and for members outside PSI/PSK, they will submit a **6-months bank statement or 3-months pay-slips** preceding application.
- Each loan repayment shall meet the **minimum monthly amount as per approved schedule**. Any arrears will be deducted from member savings. Members are encouraged to be monitoring their loan performances/progress on member portal dashboard & ensure it is on **performing status**.
- A member is not prevented from repaying his/her loan in whole or in part, prior to maturity **at no charge**.
- Defaulted loans will be recovered from guarantors once a year (i.e. on 15th Dec) after 3 default notices have been issued to the defaulter whereby 2nd and 3rd notices shall have been copied to guarantors. Thereafter defaulter listed in CRB.
- A joint meeting with defaulter, guarantors & credit committee will be held prior to the recoveries. This was requested by members during 2024 AGM and approved by management. All parties will be given 14 days invitation notice for attendance & meeting will proceed as planned.
- No member will be allowed to withdraw part of his/her shares to offset part of an outstanding loan unless he/she ceases to be a member.
- Member shares pledged as security for other member loans should not be surrendered to offset his/her outstanding loans unless the borrower can provide an alternative security for the guaranteed loans.
- Default notices will be sent on email from **kingasacco@pskenya.org**. Where the email registered with the Sacco returns failed delivery, we will use WhatsApp from our official Sacco mobile number **0794475547**.
- A request for loan re-schedule shall be submitted by a member on email to Kinga Sacco and copied to all guarantors. The management will respond to acknowledge and confirm the minimum acceptable amount to be paid monthly on rescheduled loan. The member will then pay the amount as confirmed by the management for six months without fail to qualify for reschedule to be executed in the system. Once executed in the system, the management will respond in the original email trail confirming the same to the member and all guarantors copied.
- No member shall be given an additional loan of the same type unless he/she clears the earlier loan issued to him/her of the same type. Exception is on Normal loan (NL) which can be topped up, whereby an applied loan can clear an existing Normal Loan.
- Loan **Top-up/ Re-finance** is available on **Normal Loan (NL) only after 6 months of repayment**.
- Insurance charge of 1% of loan applied is charged for all loans** and is deducted on disbursement. Exception is on **NL & NPL** which are off-setting other loans which have been repaid by **over 50%** where in such case, the insurance fee will be **1% of the net disbursement**.
- Unless the loan applied for is equal to or less than a member's savings, guarantors must secure it. Additionally, the total pledged savings of the borrower and those of his/her guarantors must be equal to or more than the loan applied.
- The full amount of the loan must be guaranteed by member(s) of Kinga Sacco Ltd who must state the amount guaranteed on physical loan form or on email confirmation.
- Members who voluntarily withdraw their membership and had acted as guarantors of an outstanding loan shall continue being responsible for their respective obligations until a replacement is provided and approved by the management or the loan is cleared.
- Kinga Sacco Ltd, at the discretion of management committee, may engage **debt collectors** to recover any loans in default for over 90 days.
- Normal & Normal plus loan applications should be submitted on or before 25th of each month. Approval & disbursements will be done within 15 days of receipt i.e. from 25th up to 10th of the following month. Loans received outside this cycle will be considered subject to liquidity.
- Emergency, School Fees, Ji-inue & Salary Advance loans will be processed continuously throughout the month
- Any loan applicant whose monthly savings is not up to date with a **minimum of Kes.2,000 per month**, will be required to clear the outstanding amounts prior to loan being processed.
- Any loan applicant with loan(s) in arrears, will be **required to clear the outstanding arrears and thereafter** continue expected monthly repayments for **at least 3 subsequent months** to be considered for any other Sacco loan(s)
- Any **lumpsum deposits above Kes.100,000** attracts a **waiting period of 3 months** before it is considered for loan appraisal
- No member with **outstanding loan arrears or savings arrears will be paid dividends or interest rebates**. Instead, the earned dividends and interest rebates will be utilized to repay loan then followed by savings arrears and any balance thereafter will be disbursed to the member.
- A guarantor is released once the loan guaranteed is cleared and the balance **reads nil (0.00)** in the system generated **"loan guaranteed report"** accessible through individual member portal.

AUTHORITIES AND DECLARATIONS:

CONFIRMATION/COMMENTS BY THE EMPLOYER:

The loan applicant is employed by: of
(Address).....
..

This loan **amount** of Kshs Repayment **Period** months. Monthly **Instalment** of Kshs.

Approved Rejected

If rejected, give reasons here

In addition, subject to the authority given above by the said employee, I will deduct any obligations due as advised by Kinga Savings and Cooperative Credit Society Ltd, from the employee’s terminal benefits in the event of leaving employment.
Signed on behalf of employer by;

Name.....

Signature and stamp.....

Date:

- **CREDIT REFERENCE BUREAU DECLARATION:**
 - Notwithstanding the credit facility. I understand that Kinga Sacco Society Ltd shall obtain credit report from Credit Reference Bureau as may be required to ascertain the credit worthiness of the borrower. I expressly allow the Sacco to obtain the report for the purpose this loan appraisal.
 - I confirm my understanding that in case of default, the default information will be furnished to a CREDIT REFERENCE BUREAU without prior written consent.

TO: PSI/PS KENYA

AUTHORITY TO DEDUCT OBLIGATIONS FROM TERMINAL DUES; N/B – Applicable to current PSI/PS Kenva employees only

In the event of my leaving employment with PSI/PS Kenya, I authorize my employer to first apply my terminal payments to offset, as far as possible, any outstanding obligations to Kinga Savings and Cooperative Credit Society Ltd, before paying the balance, if any, to me. I hereby agree to release and hold harmless the organization, its trustees, officers, employees, agents, administrators, successors and assigns, against all claims, causes of action and judgments, damages, losses, costs, expenses and demands whatsoever, arising out of/in connection of my participation in Kinga Savings and Cooperative Credit Society Ltd, including any deductions from my salary authorized by me as borrower or guarantor.

COMMITMENT TO SERVICE LOAN IN THE EVENT OF LEAVING EMPLOYMENT & TERMINAL DUES CANNOT FULLY COVER OUTSTANDING DEBT:

In the event of my leaving employment, I commit to continue servicing my loan with Kinga Savings and Cooperative Credit Society Ltd, to stay in touch with the Sacco, through the official contacts at the top of this loan application form, and any other that might be provided later, in the event they change, until my debt with the Sacco is fully serviced.

• **DECLARATION ON BY-LAWS AND LOAN POLICY:**

I hereby declare that the foregoing is true to the best of my knowledge. I belief and agree to abide by the by laws of the Society, the loan policy, general terms and conditions and any other variations by the management committee.

• **CONCLUSION AND SIGNATURE:**

I confirm that I have read, understood and agree with all the general terms, conditions, authorities and declarations under this loan application form. Also, I certify that the information given above is true to the best of my knowledge and incase of any change, I will communicate to KINGA SACCO management.

Name.....

Signature:

Date: