

LOAN APPLICATION FORM

Notes

1. TYPE OF LOAN (Tick one)

Normal Loan 1 ☐

School Fees Loan ☐

IPF Loan ☐

Suluhisho Plus ☐

2. PERSONAL INFORMATION

Full Names of Member. _____

Membership Number: _____ I.D. No. _____ D.O.B.: _____

Telephone No. (Mobile): _____ Email Address: _____

Applicant's Physical Location: _____

Rented () Owned (). Tenure at current physical address: _____

Subcounty _____ Location _____ Village: _____

Marital Status: Single () Married () Widowed () No. of Dependents _____

EMPLOYMENT

Applicant's Employer / Name of Business. _____

Designation / Title: _____ Present Net Income _____

Postal Address: _____ Town _____

Physical Location _____ Years of Operation _____

Terms of service: Permanent ☐ Temporary ☐ Contract ☐ Pension ☐ (tick one)

Position in SACCO society-committee: Officer ☐ Member ☐ other specify _____ - _____

Period of service with current employer _____

3. LOAN PARTICULARS

I, _____ hereby
apply for a loan of Kshs _____ amount in words _____
_____ for a period of _____ months to be
repaid in instalments of Kshs _____ each month commencing on _____

(NOTE: The loan insurance premium is recovered upfront from the amount applied for.)

4. PURPOSE FOR WHICH LOAN IS APPLIED

(In case of several uses of the loan state the exact amount for each).

I. _____ Kshs _____

II. _____ Kshs _____

III. _____ Kshs _____

5. SECURITY WHICH I OFFER FOR THE LOAN TAKEN

I. _____

II. _____

III. _____

6. DECLARATION

I hereby declare that the fore going particulars are true to the best of my knowledge and belief and agree to abide by the bylaws of the society, the loan policy, and any variations by the credit committee in respect to section No. 2 above.

Signature _____ Date: _____

NOTE: Soft copy LOAN forms SHOULD be clearly scanned and sent to credit@karurasacco.or.ke

WITNESS (Close family Member)

Witness signature: _____ Date: _____

Full Names: _____

Postal Address: _____ Mobile No. _____

Physical Address: _____

Period of stay at current physical address _____

7. REPAYMENT GUARANTEE

POLITE NOTICE: Guarantors are advised to read carefully all the information in this terms & conditions contained herein before signing the Loan Application. Any alteration of the loan amount applied for must be countersigned by all guarantors. In consideration of granting the above loan or any lesser amount that may be approved we, the undersigned hereby acknowledge to have read and understood the above rules and application and accept, jointly and severally, liability for repayment including interest and costs appertaining to the aforementioned loan.

In the event of the borrower's default. We understand that the amount in default will be recovered by an offset against our savings. We also understand that the liability of the loanee and the guarantors is personal and shall extend beyond the deposits held by each one in the Sacco in case of default.

8. GUARANTORS

	Full Names (As per ID)	Amount Guaranteed	Mobile No	ID No	Sign
1					
2					
3					
4					
5					
6					
7					

9. BASIC RULES AND REQUIREMENTS

- A member must have been contributing and been active for a minimum period of three (3) months or wait for one month upon activation.
- All loans MUST be fully secured by guarantors who must be active members of the Sacco and/ or with collateral equivalent in value for the amount applied.
- Guarantors' loan and deposits must be up-to-date to qualify to guarantee a new loan
- Any category of outstanding loan must be cleared before a new loan of the same category is granted; Loan top-ups will be applied at a charge of 1% of the balance.
- No member will be permitted to suffer total deductions including savings, loan repayment and interest in excess of two-thirds of his/her monthly income.
- New loans will be given subject to the previous loan being regularly serviced.
- In case of any default in repayment, for more than 90 days, the entire balance of the loan will immediately become due and payable at the discretion of the Karura Community Sacco board Members and all deposits owned by the member and any interest due to the member will be offset against the balance owed. Any remaining balance will be deducted from the guarantors and the member will be liable for any costs incurred in collection of the loan balance and accumulated interests.
- Upon default, the Sacco shall dispose any collateral offered as security to recover the amount defaulted.
- The loan application form must be completed & supported with the most recent pay slip (certified by the employer's payroll officer), PIN Certificate, copy of national identity card/passport and any other relevant supporting documents (where applicable)
- An application for a loan shall only be considered when the authorized loan application form has been completed.
- Late payments will accrue fees and penalty as agreed by the management. Long term loans will be subjected to a roll over fee of 1% every year
- No member may withdraw his deposits unless all loans are repaid and all loans guaranteed by him are cleared or replacement guarantors sought for the same.
- All loans are subject to an appraisal fee of 3%
- Loan applications of upto a maximum of 100,000 will be processed within 14 days. Repayments will commence 30 days after disbursement
- Members who are not in formal employment should attach a letter stating income received and a certified copy of six (6) months bank MPESA statement.
- A member who has a non-performing loan with other institutions is not eligible for a loan until he/she provides CRB clearance certificate.
- A member with a performing loan with default history MUST explain the reason which led to the default before his application can be considered and will be eligible for up to 2 times their deposit.
- A member who has been guaranteed by a defaulter will not be eligible for a new loan or to guarantee any new loan unless he provides a replacement of the defaulter.

10. LOAN PRODUCTS (Important Details)

Loan Product	Interest	Repayment Period (Months)
Normal Loan 1	15% p.a	24
School Fees Loan	12% p.a	12

Loan Product	Interest	Repayment Period (Months)
IPF Loan	15% p.a	5
Suluhisho Plus	5% p.m	3

* (R.B) - Reducing Balance

11. THE CRB CONSENT CLAUSE

a) Customer Declaration:

With respect to this application I authorize Karura Community Sacco (KCS) to carry out credit checks with or obtain my credit information from, a credit reference bureau. In the event of the account going into default, I consent to my name, transaction and default details being forwarded to a credit reference bureau for listing. I acknowledge that this information may be used by banking institutions and other credit grantors in assessing applications for credit by me, associated companies, and supplementary account holders and for occasional debt tracing and fraud prevention purposes.

b) Disclosure of Information:

i. You agree that the Karura Community Sacco (KCS) may disclose details relating to your Loan account to any third party including credit reference bureaus, if in Karura Community Sacco's opinion such disclosure is necessary for the purposes of evaluating your creditworthiness or any transaction with or credit application made to Karura Community Sacco or such third party, maintaining your account with Karura Community Sacco or for any other lawful purpose.

ii. You agree that the Karura Community Sacco (KCS) may disclose details relating to your Loan account including details of your default in servicing financial obligations on your Loan account to any third-party including credit reference bureaus for the purpose of evaluating your credit worthiness or for any other lawful purpose.

Full Names: _____ Signature: _____

Date: _____ Membership No: _____

12. FOR OFFICIAL USE ONLY

Loan form Received by: _____ Signature _____ Date: _____

Total Deposits Kshs: _____ Total loan outstanding Kshs: _____

Loan frequency during the year _____ Amount currently requested: _____

Deposits Kshs _____ X 3 = _____ Members present income Kshs. _____ X .33 = Kshs. _____

(Maximum available monthly repayments).

Payment to society including payments on loan requested are Kshs _____

(Must not exceed above amount)

I certify that the above application is / is not within the rules of the society.

If not give reason _____

Prepared by: _____ Date: _____

Notes

13. CREDIT COMMITTEE

Loan approved, Kshs _____ recoverable in _____ instalments at an interest rate of _____ per month on a reducing balance.

Credit committee minutes No. _____ Date _____

Chairman's Signature _____ Date _____

Member 1 Signature _____ Date _____

Member 2 Signature _____ Date _____

Member 3 Signature _____ Date _____

Manager's Sign _____ Date: _____

Notes