

BASIC RULES & REQUIREMENTS

I understand the rules applicable to this application as listed below and that loans will be granted in accordance with these rules:

1. All loans must be fully secured by guarantor(s) who must be active members of the Society.
2. Guarantors' loan and deposits must be up to date to qualify for loan guarantee.
3. Applicant must have paid the required KES 50,000 minimum shares at the application stage.
4. Loan repayment plus interest shall not exceed 2/3 a member's total proceeds or income at the time of application.
5. New loans will be given subject to the previous loan being regularly serviced.
6. In case of any default in repayment, the entire balance of the loan will immediately become due and payable at the discretion of the Jhpiego SACCO board of directors 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 member's salary and/or terminal benefits and guarantors.
7. For employed members, the loan application form must be supported with the most recent pay slip certified by the employer.
8. No member shall guarantee more than four (4) times his/her deposits at any one given time.
9. No member may withdraw his/her deposits unless all loans are repaid, and all loans guaranteed by him are cleared or replacement guarantors sought for the same.
10. The funds for the loan approved will be issued net of the insurance premium, processing costs, bank charges and loan balances being offset.
11. Loan payment starts on the month in which it is disbursed.
12. Members who are self-employed or not in formal employment should attach a letter stating income received and a certified copy of six (6) months bank statement.
13. In the absence of employer's signature on the loan application form, the loanee should attach an introduction letter from the current employer as shall be required by the society.
14. 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/ she provides a replacement to the defaulter.
15. All payments are due on the last day of the month. Penalties will be charged to late payment at the rate of 1% pm on the principal loan amount for any instalment received after month-end.
16. Members are allowed to use their shares and can borrow up to six times their shares and three times their savings.
17. Applicant must be a member of the Sacco and saved consistently for a minimum period of 6 months.
18. New applications are subject to credit reference bureaus - those listed will not be approved. Declaration of other loans MUST be stated on the application.
19. Any category of outstanding loan must be cleared before a new loan of the same category is granted.
20. Loan must be breakeven within 12 months.
21. In the event of offsetting loans to savings, a member shall stay for 12 months of active membership and consistent savings before taking another loan and will not be able to offset the new loan until the 12-month period has expired.
22. To qualify for higher loans through savings, a one-time savings boost cannot exceed three times the cumulative savings over the 12 months immediately prior to the new loan application.
23. Members who wish to apply for higher loans through shares can purchase additional shares and qualify for higher loans right away.

Acceptance

I confirm that I have read the rules and requirements governing the grant of credit facilities and agree to be bound by them should my loan application be approved. I do confirm that all my accounts with The Society are in regular status.

Applicant's Signature

Date