



CHUNA TUNDA

CHUNA SACCO SOCIETY LIMITED

UNIVERSITY OF NAIROBI

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***VISION:** To be the leading SACCO Society providing quality and dynamic services to our members'.*

Batch No.....

Date Received:.....

JIJENGE LOAN APPLICATION AND CONTRACT FORM

APPLICANT'S DETAILS *(Please fill in appropriately)*

UON/PR

No.

Member No.

Mobile No.

FOSA Account No:		Date of Application	
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PART 1: APPLICANT'S PARTICULARS – Attach a copy of ID (Please fill in appropriately)

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:

PART 2: LOAN PARTICULARS/LOAN TYPE (Tick the appropriate box)

2.1. Iwish to apply for KShs

In words.....

For a period of 72 (Seventy Two months).

2.3. Purpose of the Loan:

.....

PART 3: LOANS TO BE CLEARED BY CHUNA

3.1. I wish to apply for FOSA clearance on my loans as indicated below:

TYPE OF OUSTANDING LOAN	AMOUNT (KSHS)
i)	
ii)	
iii)	
iv)	
v)	

NOTE 1: *Bank and other institutions loan(s) to be cleared must be supported by a statement showing the current balance to be cleared, the Bank Early Repayment Fee (ERF) and the Bank Loan Account Number.*

NOTE 2: *After receiving the banker's cheque to clear your bank loan you are expected to send back a Bank Nil Balance statement before the difference can be paid out to your FOSA account.*

3.2. Send the Banker's Cheque for collection through FOSA Loan Account Number:

PART 4: GUARANTORS

(MUST be signed by the guarantor him/herself and should have known the Loan amount being applied for or guaranteed).

"In consideration of granting the above loan or any lesser amount that may be approved, we the undersigned hereby accept jointly and severally the liability for its repayment in the event of borrower's default. We understand that the amount in default may be recovered by an offset against our deposits in the society or by attachment of our property or salary and that we shall not be eligible for loans unless the amount in default has been cleared in full". Note - any single default in loan repayment shall attract 6% p.a penalty on the outstanding balance and shall accrue for every month defaulted.

S/NO	M/NO	PF/NO	NAME OF GUARANTOR	AMOUNT GUARANTEED	MOBILE NO	SIGNATURE
1						
2						
3						
4						
5						
6						
7						
8						
9						

Note 1: **This loan must have eight (8) guarantors.** This rule may be waived if remaining amount (after some guarantors have signed) to be guaranteed will be equal to the deposits plus payable interest.

Note 2: **Self guarantee** - possible on condition that the deposits are more than or equal to the loan plus interest and one has not committed the same shares on guaranteeing others.

PART 5: PERSONAL COMMITMENTS AND DECLARATION

5.0 I further pledge as additional security for the loan so approved.

5.1 I authorized you to: *(Please delete whichever is not applicable)*

a) Reduce / increase my share contribution.....

b) Retain my share contributions.....

5.3.(a) I hereby declare that the foregoing particulars are true to the best of my knowledge and belief, and agree to abide by the by-laws of the society, conditions, and terms of loan policy and variations by the Credit Committee. I also consent to be referenced upon this application in the Credit Reference Bureau (CRB) and be listed in the same in case of default. I release CHUNA Sacco and its officers, employees and agents from any claims, actions or proceedings of whatsoever nature and howsoever arising, suffered or incurred in connection with CRB sending/ delivering/emailing my credit report to the addresses that I have provided.

(b) I also without any reservation whatsoever allow CHUNA SACCO to auction any of my properties in case of defaulting to repay this loan once I have accessed it.

I hereby authorize the necessary deductions to be made from my salary for repayment of the loan.

Name: Signature:

..... Date:

PART 6: GENERAL TERMS AND CONDITIONS FOR LOANS

- 6.1. Application must be made on **the official loan form** fully completed and appropriately signed by both the Loanee and guarantors in their own handwriting.
- 6.2. The applicant is required to **attach original pay slip** (not more than one month old to the date of application).
- 6.3. Loans are granted in accordance with **the loan policy and lending conditions** existing at the time of application.
- 6.4. For a member to qualify for a loan consideration, he/she **must have contributed shares for a minimum period of six months** subject to the policy in force.
- 6.5. 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.
- 6.6. A member whose share contributions or loan repayments have fallen off the payroll but has continued repaying his/her loan and is in need of 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.
- 6.7. 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.
- 6.8. **Guarantors** must be members of the Society who shall not guarantee more than twice of their savings.
- 6.9. The prevailing **interest rates at time of application** shall apply. The interest rates shall however be reviewed by the Board of Directors from time to time and the same communicated to members.
- 6.10. The loan will attract a processing fee of 0.5% of the amount approved. Appraisal fees will be recovered up-front. 6.11. 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.
- 6.12. The loan amount applied for shall be fully covered by the Loanee plus guarantors deposits.
- 6.13. **Minimum share contribution** for those **with loans** shall be determined by the share banding on the amount approved.
- 6.14. A **member** who has been dormant for a period of 3 months shall not be considered for any loan.
- 6.15. **Minimum share contribution** for members **without loans** is KShs. 2,500.00 per month and/or subject to policy in force.
- 6.16. 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.
- 6.17. Members can take a **top up loan** in addition to existing loan without necessarily clearing the outstanding loan subject to ability to pay. A top up interest of 10% shall be charged on outstanding balance and recovered upfront.
- 6.18. All Loans shall **be paid to member's FOSA account**.
- 6.19. 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.
- 6.20. No **alteration** whatsoever will be allowed on the loan form.
- 6.21. Loan Insurance fee is charged at 1.8% of the granted Loan amount and is recoverable upfront.
- 6.22. For recovery of the loan and interest thereto, the applicant must present evidence to the SACCO of IRREVOCABLE STANDING ORDER or DIRECT DEBIT INSTRUCTIONS from her/his bank.
- 6.23. The SACCO reserves the right to involve the services of registered debt collectors and auctioneers to recover any amount arising from default.
- 6.24. 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 7: SPECIFIC TERMS AND CONDITIONS FOR JIJENGE LOAN

- 1. **Interest rate:** 1.2% pm on reducing balance (effective rates p.a. is 8.32% and p.m. is 0.69%)
- 2. **Maximum repayment period:** 72 month (6 years)
- 3. **Maximum amount:** Ksh 5,000,000.00 (Five million)
- 4. **Deposits Multiplier:** 3 (three) times
- 5. **Requirements to qualify;**
 - i. **Must have been a member for at least three months.**
 - ii. **Fully filled Jijenge Loan application form.**
 - iii. **Latest payslip.**
 - iv. **CHUNA FOSA being your monthly salary paypoint.**
- 6. **Waiting period:** Strictly one month (subject to availability of funds), however, for members consolidating (i.e. amalgamating many loans into one loan) for the purpose of restructuring their payslips, it will be two weeks utmost, subject to availability of funds.

Acceptance of the terms and conditions contained in this agreement shall be indicated by the applicant providing the Sacco society with the original of this loan contract duly signed as evidence of acceptance of the terms and conditions as stated.

Signed by the Applicant: Name.....ID No.....Signature.....Date:.....

In the presence of: Namem/no.: P/R No.....Signature.....Date.....

CHUNA Official:SignatureDate

