KUSCCO LTD.
Kenya Union of Savings & Credit Co-operatives Ltd.
-The SACCO Family Union-

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CENTRAL FINANCE FUND

LOAN APPLICATION & AGREEMENT FORM
(VIJANAA LOAN)

1. NAME: .... SACCO SOCEITY LTD.

2. CFFM No. ....

2. ADDRESS ....TELEPHONE ....

3. **Loan Application And Repayment Terms**

   We, the undersigned, duly authorized by management committee of ....

   SACCO Society Limited, do hereby apply for a loan of Kshs. ....

   (Amount in words) ....

   ....

   from KUSCCO-CFF repayable in .... monthly installments.

4. **Repayment guarantee**

   We, on behalf of the SACCO accept liability for repayment of the loan as approved by KUSCCO-CFF . We understand that, principal amount in default together with interest due and collection expenses can be offset against the Society's assets. The monthly remittance to KUSCCO-CFF will be as follows:

   i. Monthly installment Kshs. ....

   ii. Interest charged at .... per month on opening balance in Kshs. ....

   iii. Monthly Savings Kshs. .... (1% of loan applied for)

Total Amount as per Banker's Order (i + ii+ iii) Kshs. ....

5. **Documents to be attached**

   a) Latest Trial Balance (Not more than 90 days old)
   b) Minutes of the Management Committee authorizing borrowing from CFF
   c) Latest Audited Accounts
   d) Proof of Insurance for loans
   e) Maximum Borrowing Powers
   f) Bankers Order duly completed and signed
   g) List of youth members indicating amount, names, age, gender.
   H) Copies of national ID's of youth borrowers confirmed by Credit Committee.
   i) Proposal from SACCO on use of loan towards the development of the youth entrepreneurs.
   j) Proof of a youth loan product at the SACCO.

The SACCO Family Union

6. **Purpose for loans**

Clearly indicate the purpose for which the Loan is applied..

....

....

....

7. **Indicate approximately when this loan is required**

....

8. **Source of funds**

Clearly state the source(s) of finance at the disposal of the Society for the repayment of this loan

....

....

9. **Credit variability**

We may when necessary vary the interest rates upwards or downwards depending on the money market conditions. The changes will be communicated in writing.

DEFAULTERS

10. No Society shall be allowed to withdraw from the Fund unless the Society's loan is repaid in full or the loan balance can be fully offset by the Society's savings after 90 days notice
11. Any society which desires to offset the loan balance against Savings is in breach of contract and will be subjected to 7.5 % offset fee on the outstanding balance at the time
12. Where a loan is not repaid on the due date, 6% p.a penalty will start accruing for every month defaulted.
13. Any society which defaults for 6 consecutive months will have the loan offset against Savings and Suffer offset fee of 7.5 % P.A. on outstanding loan.
14. Defaulting borrowers shall be listed with the Credit Reference Bureau (CRB).

NAME		SIGNATURE	DATE
Chairman			
Secretary			
Treasurer			
Manager			

14. **For Official Use Only**

a. REGIONAL EVALUATION

We today examined the loan application forms

of... SACCO Society Limited.

In our opinion:

i. The purpose for which the loan application has been made is genuine. We therefore recommend that the above named Society be considered for the total amount of the loan applied for.

ii. The Society cannot justify the need for the amount applied for. We recommend that the society be considered for a loan of Kshs...

iii. The Society cannot comfortably service a loan of Kshs.. without interfering with the day-to-day running of the Society. We therefore recommend that the society be granted a loan of Kshs.. to ease the burden of repayments.

iv. The Society should not be granted the loan as it does not maintain proper records and books of accounts.

v. The Society should not be granted the loan as it does not enjoy check off facilities

** Tick as appropriate.*

Signed .... Date ....

Regional Manager..

b. **HEAD OFFICE ONLY**

LOAN APPRAISAL

Loan No. .... Date received..

Total Savings Kshs. ....

Outstanding Loans Kshs. ....

Loan entitlement Kshs...

Number of Installments. ....

Monthly repayment Kshs. ....

Appraised by: Name ....

Signature.. Date ....

Manager's Comments

The loan application should be accepted / rejected for Kshs. .... repayable in ....

monthly installments.

The loan has been rejected/deferred /reduced because:

....

....

....

Name ....

Signed .... Date ....

Checked by: FM (Name) ....

Signature .... Date ....

IAM (Name) ....

Signature .... Date ....

Approved by: MD (Name) ....

Signature .... Date ....

BUSINESS COMMITTEE

We have dealt with the above loan application taking into account the above remarks as follows:

a) Loan approved Kshs. .... recoverable in .... monthly installments of Kshs. .... per month.

b) Loan rejected/ deferred /reduced for the following reasons

....

....

....

Date ....

Business Committee Minute Member ....

Signed Chairman ....