SOS SACCO

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LOAN APPLICATION AND CONTRACT FORM

1. APPLICANT'S PERSONAL INFORMATION

Names(as appearing on ID):			
Membership No.	**Phone Number:**		
Payroll No	**Current Station**		
Net monthly income	**Designation**		
E-mail address	**Terms of Service**		
Home/ Permanent address P.O.Box:	**Code:**	**Town:**	

2. LOAN DETAILS

Loan Type (Please Tick)	Normal(60mts)		School Fees(12mts)		Device Loan(12mts)	
	Normal Top up(60 mts)		Business Loan(48mts)		Asset Loan(48mts)	
	Emergency(12mts)		Huduma Loan(6mts)		Salary advance(30days)	

Current Shares:

Loan amount applied for (figures):

Loan amount applied for (words):

Repayment period – Years: **Months:**

Shares boost amount required:

3. Security for the loan

i. iii.

ii.

Name of Bank:

Branch:

Account Name:

Account Number:

4. DECLARATION

(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 SOS 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 SOS 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 **SIGN** **DATE**

5. GUARANTORS

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

We, the undersigned, hereby accept jointly and severally, the liability for repayment of this loan in the event of the borrower's default. We understand the amount in default may be recovered from our salaries, offset against our deposits within the society or by attachment of our properties.

	Name:	Member Number	Deposits	Amount Guaranteed	Mobile No	Signature
1						
2						
3						
4						
5						
6						
7						

Note 1: ***Normal Loans*** *must have* ***seven(7)*** *guarantors and the rest* ***four (4) 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.***

6. EMPLOYER'S RECOMMENDATION

This is to confirm that the applicant is employed by ____

In the capacity of____

I hereby confirm that the attached payslips are true copies of the applicant's payslips for the months of:

_______________ / 20_____; _______________ / 20_____; _______________ / 20_______

We recommend/do not recommend this application to SOS SACCO for consideration.

1. Name:____________________________________**Designation:**_______________**Signature:**________________

Signature and Official Stamp_________________________________**Date:**__________________________________

7. TERMS AND CONDITIONS FOR LOANS

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.
2. The applicant is required to attach original pay slip (not more than one-month-old to the date of application).
3. Loans are granted in accordance with the loan policy and lending conditions existing at the time of application.
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.
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. A member whose share contributions or loan repayments have fallen off the payroll but has continued repaying their 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 authorising an offset from the loan of an equivalent amount of the arrears.
7. Any member who clears his/her loans by cash/cheque before the end of the repayment period must wait for 2 months before being considered for a loan and is subject to the policy in force.
8. Guarantors must be members of the Society who shall not guarantee more than twice their savings.

9. The prevailing interest rates at the time of application shall apply. The interest rates shall however be reviewed by the Management Committee from time to time and the same communicated to members.
10. All loans will attract a processing fee of 0.5% of the amount applied. All appraisal fees will be recovered up-front.
11. Members on short term contract terms of employment are 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.
12. The loan amount applied for shall be fully covered by the loanee plus guarantors deposits.
13. Minimum share contribution for those with loans shall be determined by the share banding on the amount approved.
14. A member who has been dormant for a period of 3 months shall not be considered for any loan.
15. The minimum share contribution for members without loans is KShs. 3,500.00 per month and/or subject to the policy in force.
16. Loans shall be appraised based on 3 times 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.
17. Members can take a top-up loan in addition to an existing loan without necessarily clearing the outstanding loan subject to the ability to pay. A top-up interest of 12% shall be charged on the outstanding balance and recovered upfront.
18. All Loans shall be paid to the member's bank account or MPESA if the applicant requests (Kes 50,000.00 and below).
19. If a member decides to cancel his/her loan after the process has been finalized, a fee of 10% of the amount applied shall be charged.
20. No alteration whatsoever will be allowed on the loan form.
21. The Loan Insurance fee is charged at 1.5% of the Applied Loan amount and is recoverable upfront.
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.
23. The SACCO reserves the right to involve the services of registered debt collectors and auctioneers to recover any amount arising from default.
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

SPECIFIC TERMS AND CONDITIONS

1. Member must attach a certified copy of the employment or contract letter.
2. The full loan amount must be guaranteed by SOS SACCO active members.
3. Refinancing/Top-up of Normal loans can only be done after six months of consecutive repayments.
4. Loan interests and fees and penalties applicable at time of loan application, shall be recovered up front.

ACCEPTANCE OF TERMS AND CONDITIONS

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.

NAME OF APPLICANT____________________________**M/NO**_____________**ID NO**_________________

SIGN______________ **DATE**_____________

NAME OF WITNESS_____________________________**M/NO**______________**ID NO**_________________

SIGN_______________**DATE**_______________

SACCO OFFICER________________**M/NO**_______**ID NO**___________**SIGN**___________**DATE**____________

FOR OFFICIAL USE ONLY

8. LOAN PROCESSING

Loanee Shares as at (Date):	Total Shares:	
Captured by:	Date:	Signatue:
Verified by:	Date:	Signature:
Scheduled by:	Date:	Signature:
Recommended by:	Date:	Signature:
Remarks (if any):		

9. CREDIT COMMITTEE APPROVAL

We have totally examined the above aplication and have approved the following:

Loan Type:	Loan Amount:
Number of Installments:	Monthly deductions(plus shares)
Minute number:	Meeting date:

Signed:______________________________ Signed:______________________________ Signed:____________________________

Chairman Member Member

Date___________________

10. DISBURSEMENT

Date of disbursal	
Mode(A/C,Mpesa)	
Cheque Number	
EFT Ref Number	
Officer	