



LOAN APPLICATION FORM

CHECKLIST

ID/ Passport

Referee ID /Passport

Guarantors ID / Passport

Write up declaring how you intend to pay

A. PERSONAL INFORMATION:

1. a. Member's Full Name _____
- b. ID No. _____
2. Country of residence _____
3. Cell phone Contact. _____
4. Personal Email Adress _____

5. Physical Address; _____
8. Position in Group Member/Committee/Officer/Employee _____
Other – Specify _____

B. LOAN APPLICATION & REPAYMENT

I _____ hereby apply for a loan of Kshs. _____
Amount in words (_____) for a period
Of _____ (months) to be paid in instalments of Kshs. _____ Each month, commencing on _____

C. PURPOSE FOR WHICH LOAN IS APPLIED (in case of several uses of the loan, state the exact amount for each use).

1. _____ Kshs. _____
2. _____ Kshs. _____
3. _____ Kshs. _____

D. SECURITY WHICH I OFFER FOR THE LOAN

1. My shares
2. Salary
3. Guarantors
3. Other Income
4. _____

E. 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 group, the loan policy, and any variations by the Credit Committee in respect of Section B above. I hereby commit to make the necessary repayments and per cent interest for this Loan by the 05th of every month that the repayments fall due. I therefore authorise the Sacco to grant me the loan by way of a cheque written in my full names as follows.

SIGNATURE _____ DATE _____

WITNESS SIGNATURE _____

NAME _____

ADDRESS _____

F. REFEREE (One referee must be a relative)

	REFEREE 1 (Must be a Member of the Sacco)	REFEREE 2 (Must be a relative)
Name		
Relationship		
No. of years acquainted		
Nationality		
Tel (Home/Mobile)		
Tel (Work) - Optional		
Physical Address (Work / Residence)		
Email Address		

G. REPAYMENT GUARANTEE

We, the undersigned acting as guarantors for the Loan requested on page 1 of this application form, understand and agree jointly and severally that all loan interests and deposits with Budi Sacco society Limited owned by us are hereby pledged as security for the said loan or such part of it as may be granted. In case of default in repayment by the loanee the Treasurer is hereby authorised to deduct any balance interest and cost appertaining to the aforementioned loan from the securities hereby pledged. Our particulars are as follows;

BUDI SACCO MEMBER NUMBER	FULL NAMES OF GUARANTOR	DEPOSIT AMOUNT PLEDGED AS LOAN GUARANTEE	ID NUMBER & SIGNATURE	PHONE NUMBER / EMAIL ADDRESS

NOTE TO THE APPLICANT:

If details of your guarantors cannot fit in the space provided herein, feel free to write them on a plain piece of paper and attach to this application.

H. COMMUNICATION TO DEFAULTERS

In case of default, the communication to the guarantor and the applicant will be as follows;

1. First and Second month notification will be by email and mobile phone sms to the Applicant
2. Third month notification will be communicated through registered mail to member and guarantors

Note: All Communication will be copied to Management Committee

TERMS & CONDITIONS

I understand that the basic rules applicable to this application are as listed and understand that the Loan will be granted according to these rules;

1. One must have been a member for at least 6 months and contributed not less than Kshs. 3,000 to be eligible for a loan.
2. There shall be three types of loans. Development loan, Emergency loan and Okoa loan
3. A member shall be eligible to a development loan; being thrice the amount he/she has deposited as savings to a maximum of Kshs.700, 000. This position shall be subject to periodical variations by management committee as the Sacco deposits grow.
4. To qualify for a top up loan, a member should have paid 50% of his/her existing loan and a top up fee of 5% will be charged on outstanding amount
5. A member qualifies for an Okoa loan (instant non-guaranteed loan), which does not exceed 20% of his/her shares, as long as they do not have any existing loan or have paid 50% of the existing loan.
6. An interest of 1% per month on reducing balance shall be levied on the development and emergency Sacco Loans. The Okoa loan attracts a 10% interest. This interest shall accrue every month as long as a loan exists.
7. Savings contributions paid in lump sum for the purpose of securing a loan must remain in the Sacco for at least 3 months. A lump sum amount shall be determined by the management committee who shall look at one's saving history.
8. A member must undertake to pledge all future Income toward loan repayment. It shall be expected that all borrowers make a loan repayment instalment by 5th of every month starting with the month that follows the borrowing month.
9. If a member defaults to make a payment for a period of three months, the Sacco shall go ahead and recover the outstanding balance as at that date from the deposits made by the member. If the member deposits are not adequate to cover the outstanding balance, then the management committee will notify his/ her guarantors. If the member still does not pay within another 3 months, then the Loan amounts shall be recovered from the guarantors.
10. Emergency loans are like development loans but needing expedited processing; approval happens within 24 hours.
11. Repayment period is determined by Management Committee, but in all cases shall not exceed 48 months.
12. Emergency loans shall be repaid within 12 months.
13. Unless the loan applied for is equal to or less than a member's shares, it must be secured by guarantors.
14. To withdraw membership, a member will be required to give a written notice of up to 60 days.
15. A member will be required to maintain consistent monthly share contribution prior to applying for a loan for at least six months.
16. The guarantors must be members of the society with sufficient shares to guarantee the loan.
17. Normal loan applications must be submitted to the office by the 15th and 30th of every month. Any other submissions will be considered as emergency loans.
18. The processing fees for normal loans is 1,000 Kshs while the processing fee for the emergency loan is 2, 000 Kshs
19. Members Loan applications will be considered on first come first serve basis subject to availability of funds
20. The Credit Committee shall assess each applicant on a case by case basis before approving any loan.
21. Management committee will from time to time effect fines and penalties on non performing loans at the rate of 5% of the default amount
22. A member who withdraws from the society and re-joins later will be treated as a new member for the purpose of the loan policy.

MEMBER DECLARATION

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 group, the loan policy, and any variations by the Credit Committee in respect to the above sections. I / we further confirm that, I/ we understand that in case of default, the default information will be furnished to the CREDIT REFERENCE BUREAU and to other relevant bodies without prior written consent

Name _____ Signature _____ Date _____

FOR OFFICIAL USE ONLY

Risk Exposure Computation

Guarantors' deposits pledged x 4. _____ . Kshs. _____ . _____

Add Applicants' deposits _____ Kshs. _____

Less Guarantors Loan _____ Kshs. _____

Less Loan Applied _____ Kshs. _____

(Results must be more than zero)

(1) LOAN PROCESSING MANAGER

I certify that the application is / is not within the Rules of the Society. If not, state why;

Official Signature _____ Date _____

(2) CREDIT COMMITTEE RECOMMENDATIONS

Details if Loan is approved

Kshs recoverable in instalments
at an interest rate of one per cent per month on a reducing balance.

Reasons for Deferred Loans: (Indicate the reason for Deferral or Rejection by ticking the proper box.)

1. Incomplete information, or lack of supporting documents

2. Timeliness

3. Renegotiate loan terms or purpose
4. Inadequate funds to meet loan demand

REASONS FOR REJECTED LOANS:

- A. Inability to repay or bad repayment history
- B. Loan not in proportion to shares
- C. Clear outstanding loan
- D. Excessive loan frequency
- E. Lack of proper guarantors or security
- F. Membership period
- G. Ineligible purpose

Credit Committee minute no. _____ Date _____

Chairman's Signature _____

Member's Signature _____

Member's Signature _____

(The Chairman and any one member of the credit committee can sign)

(3) COMMENTS BY THE OFFICIALS IF ANY

BUDI SACCO SOCIETY LIMITED

CONTACT ADDRESS (Details to be attached to all application forms)

1. NAME OF MEMBER: _____

2. MEMBERSHIP NO: _____

3. URBAN RESIDENTIAL ADDRESS:

a) ESTATE: _____

b) STREET: _____

c) HOUSE NO: _____

d) TOWN: _____

4. RURAL ADDRESS:

a) HOME COUNTY: _____

b) DIVISION: _____

c) LOCATION: _____

d) SUB LOCATION: _____

e) POSTAL ADDRESS AT HOME DISTRICT:

5. I attach a photocopy of my national ID / Pass Port (both sides)

SIGNATURE: _____

DATE: _____