



2NK DT SACCO SOCIETY LTD

YOUR FINANCE, TRANSPORT AND COURIER SERVICE PROVIDER OF CHOICE
Service Beyond Imagination

LOAN NO.
Date Issued.
Date Received.

MEMBER LOAN APPLICATION FORM

NORMAL LOAN FORM

PART ONE: FILLING INSTRUCTIONS

Please read the following requirements and instructions before completing this loan form

- 1) A Member must have been a regular saver for at least the last SIX months preceding the first loan application. A member who rejoins after withdrawal from the SACCO shall be treated as a new member for loan eligibility purposes.
- 2) Complete applications must be on original form only and relevant support documents attached.
- 3) The total loans granted shall not exceed two and a half times a member's deposits and in any case not more than KES.14.5million and repayable for a period not exceeding 84 months. Interest chargeable shall be 1% per month on reducing balance basis.
- 4) Loan guarantors must be members and must be eligible to guarantee at the time of application.
- 5) The amount applied for should be equal to or less than the loanee's plus guarantors' deposits
- 6) A member who boosts shares outside the regular contribution shall wait for two months for the amount to be considered for loan eligibility.
- 7) A member who clears the loan shall be eligible for another loan on lapse of three months.
- 8) A member who has not remitted the minimum monthly contributions in the last three months shall not qualify for the loan.
- 9) A member shall be required to submit a duly signed transfer agreement witnessed by a commissioner of oath, in respect of vehicle log books surrendered as security of loan granted. Where an Applicant does not have the log book he/she shall be expected to provide a formal commitment from the supplier to submit the log book to the SACCO.
- 10) A member shall be required to submit cash flow and inflow report for the immediate past six months.
- 11) The SACCO reserves the right to demand full repayment if it is determined that the Loanee objective is not in accordance with the SACCO loan scheme.
- 12) Loan recovery deductions shall be effected through check off at the stage offices and where the deductions are inadequate to meet the loan obligation a debit of the due amount shall be effected from the member's Account in the FOSA section. A penalty of 0.5% shall be charged on any underpayment for the period the amount remains due. In the event of engagement of service of a debt collector to recover defaulted amount, the expenses

incurred shall remain a debt recoverable from the loanee. (A loan shall be deemed to be in default if underpaid /unpaid for three consecutive months as per the required installment)

- 13) A member with insurance arrears (Loan and deposit cover) shall be expected to make good the payments before loan consideration.
- 14) A member shall be expected to repay his/her loan in full. Offsetting shall not form basis of release of collateral.

PART TWO: - TO BE COMPLETED BY THE APPLICANT

A. PERSONAL INFORMATION

- 1.0 Names of the member [in full]
- 2.0 Member’s postal address.....physical address.....
- 3.0 Membership No ID NO [Attach copy]
- 4.0 Position in the SACCO[CMC member, SC member, Staff member, Member]
- 5.0 Minimum daily share/deposit contribution.....
- 6.0 Vehicle (s) No. All: 1..... 2.....
 3..... 4.....
- 7.0 Vehicle owned jointly/single:
- 8.0 If owned jointly state owners: 1.....2.....
- 9.0. Present Net monthly Income KES.:.....Monthly Expenditure KES.:
- 10.0 Previous/ current membership in any other Co-operative Society
 Name of Society..... current liability.....
 POSTAL ADDRESS:..... CELLPHONE

B. LOAN PARTICULARS AND REPAYMENT [Excluding interest chargeable]

- 1.0 Amount of loan applied for KES.....in words.....
- 2.0 Repayments period in months.....To be paid in installments of KES.....
 Per month w.e.f.....Last loan completed on
- 3.0 Purpose for which loan is required [Incase of several purposes state the exact amount for each]
 1. KES.....
 2. KES.....
 3.
 4. KES.....

4.0 **Declaration:** I hereby declare the foregoing particulars to be true to the best of my knowledge and belief and agree to abide by the By-laws of 2NK SACCO, conditions and Terms of the loans policy and variations by the Credit Committee and I shall repay the loan so approved within the stipulated time without undue stress to my guarantors failure to which 2NK SACCO shall be at liberty to dispose off any asset I have offered as Security in the event of loan default. I further authorize the necessary deductions to be made from my Vehicle(s) daily income collections as repayment of the approved loan .In addition I commit myself to personal remission of loan repayment plus interest through bank deposits / bank standing order should the vehicle deduction be inadequate and or in the event of vehicle mechanical break down.
 [Delete as appropriate]

Names [in full]Signature.....Date.....
Name of Witness.....MNO.....Signature.....Date.....

PART THREE – GUARANTEE (To be completed by the guarantors)

1.0 Amount of loan guaranteed KES.....in words.....

[Note: Amount guaranteed must be equal to amount applied for]

2.0 In consideration of granting the above loan or lesser amount as may be approved by the Management committee] of 2NK SACCO, we the undersigned in the spirit of pooling our financial resources together to uplift our lives, jointly, severally and in solidarity, do take responsibility of ensuring that group and peer pressure is used to motivate and encourage the repayment of the loan so approved and given to the loanee Mr./Mrs./Ms./And by so doing, we ensure continued growth of our financial base for investment to raise the economic status of the 2NK SACCO AND MEMBERS.

We do understand that if the loan is defaulted, the defaulted amount shall be offset against our stated guarantorship amount and the same shall not be available for our use until such time that the defaulted amount is repaid in full.

	Vehicle Registration Number	Name of guarantor	Shares to Guarantee	National ID NO.	Signature of Guarantor	MNO	Signature of Witness	MNO
1								
2.								
3.								
4								
5								
6								

NB. Guarantors to attach copies of National Identification card

3.0 Personal Guarantee: share /Deposits KES.....in words.....

4.0 Log book Vehicle NO [A]..... [B].....[C]..... [D].....

Note: Depositsx 2.5 = KES.Minus Loans KES..... Minus Guarantees KES.Minus Loan Applied for KES.....=KES.....

PART FOUR – LOAN APPRAISAL [For official use only]

2.0 CREDIT SECTION

1.0 Loans Officer

A]. Total Shares/deposits to dateOutstanding loan

B]. Category of outstanding loan

❖ Normal loan

❖ Emergency loan

KES.....

KES.....

C] Eligibility calculations: * Total Depositsx 2.5] = KES.....

D] Net monthly income KES.....

E]. Particulars of guarantors

M/NO	NAME OF GUARANTOR	TOTAL SHARES	SHARES TO GUARANTEE LOAN
1.			
2.			
3.			
4.			
5.			
6			
Grand Totals			

F]. Loan recommended KES.....in words.....

Comments.....

Prepared by Loans Officer : Name [in full]Signature.....Date.....

2. 1 CREDIT MANAGER

Maximum loan by DepositsMaximum loan by income statement
Based on the above information, this application is accepted/rejected for the amount of KES..... In words
.....Repayable inMonths

Reasons: [i].
[ii].

Name [in full]SignatureDate

PART FIVE: - MANAGEMENT [For official use only]

1.0 CREDIT COMMITTEE

We have examined the foregoing application information and in conjunction with the above recommendations and have decided as follows:

[a]. Loan approved in KES.in words.....
Recoverable inmonths at an interest rate of [1%per month on reducing balance).

[b]. Loan is deferred/rejected/adjusted for the following reasons:

- i. Ineligible purpose
- ii. Inability to repay or bad repayment history
- iii. Loan not in proportion to deposit
- iv. Lack of valid guarantors or security
- v. Incompatible membership period
- vi. Inadequate funds
- vii. Un-cleared outstanding loan
- viii. Timeliness

DateCredit committee Minute No.

Names [in full] of **Chairman**Signature.....

Names [in full] of **Secretary**Signature.....

Names [in full] of **Member**Signature.....

2.0 OPERATIONS MANAGER/CHIEF EXECUTIVE OFFICER

I have examined the foregoing loan application information and in consideration of the availability of funds I do recommend disbursement /suspension of cheque on/until..... (Date)

Cheque Amount.....Payment Voucher NO.Cheque NO.....

Cheque Amount.....Payment Voucher NO.....Cheque Number.....

Name(in full).....signature.....Date.....

3.0 VERIFICATION BY INTERNAL AUDIT

I/we have examined and certify that this loan has been granted in accordance with By-laws, Rules and Loan policy of 2NK SACCO and that the entries given therein are correct.

Signed:

Internal Auditor [Name].....Signature.....Date.....

4.0 DISPATCH OF CHEQUE BY REGISTRY] [Names to be given in full and signed against]

CHEQUE NUMBER..... KES.....in words.....

CHEQUE registration numberDated

Loan repayment w.e.f.....Last loan deduction date



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LOAN- LETTER OF OFFER AND ACCEPTANCE

We refer to your application for this facility detailed in your letter of application dated _____ and we are pleased to advise you that the same has been approved to the tune of Kshs. _____ on the following terms and conditions.

1. The repayment period for this loan is _____ month's effective from _____.
2. Interest will be charged at _____ % per annum whose total commitment comes to Kshs. _____.
3. Your monthly installments will be Kshs. _____ if you continue smoothly without defaulting. Whenever the repayment installments is not met in full; the Sacco shall have the right to attach any moneys held on your behalf to meet the difference.
4. With loan repayment programme as your responsibility, your monthly share contributions may not be expected to be very high but should NOT be less than Kshs.7000 per month of the Sacco deductions.
5. Please note that in the event of default, 2NK SACCO reserves the right to attach your deposits to recover the outstanding loan. Underpayments should not exceed three months.

At the expiry of the third month in default, the entire lot of deposits will offset the unpaid loan while the balance becomes your liability to the SACCO. If you are guaranteed by another member's deposits the same off-setting of the deposits will be done WITHOUT ANY COMMUNICATION to the shareholder; hence the need for any of your guarantor to sign this form where necessary.

COLLATERALS

6. 2NK SACCO will uphold the following as your securities:-
- a. _____ Value Ksh. _____
 - b. _____ Value Ksh. _____
 - c. _____ Value Ksh. _____
 - d. _____ Value Ksh. _____

In the event of default and off-setting your deposits and those of your guarantors towards recovery of your debt, that is after three months in default, any other

liability will be recovered from the sale of securities in this paragraph, having informed your guarantor of the decision.

7. Set-off rights: 2NK SACCO reserves the right to set-off or combine all or any existing security of whatever nature of the borrower and the guarantor to recover any liability incurred in the process of recovering the debts.
8. Sign two copies of this letter of offer: keep one copy and return the duplicate to the office while collecting your cheque. By signing this letter of acceptance, it will mean that you have acknowledged that you have understood and accepted the terms and conditions governing this offer.

Any one guarantor whose security is included in this letter of acceptance must sign where indicated and retain a photocopy of this document.

Yours faithfully,

Credit Manager
Manager/Accountant

Chief Executive Officer

Operations

I, the borrower, confirm that the terms and conditions are acceptable/not acceptable to me.

Signature: _____ Date: _____

We, the guarantors confirm that the terms and conditions are acceptable/not acceptable to the member.

1. Guarantors who are SACCO members:

M/NO.	Name	Signature	Date
a.
b.
c.
d.
e.
f.
g.