



CHAI SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD

Head Office: CHAI HOUSE, Ground Floor, Koinange street (Opposite City Market).

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LOAN APPLICATION & AGREEMENT FORM

Compulsory Checklist Copy of ID <input type="checkbox"/> Copy of KRA PIN <input type="checkbox"/> Certified recent Pays lips (3 months) <input type="checkbox"/>	Duly filled Loan Application form <input type="checkbox"/> Business Permit/Certificate of incorporation (Business members) <input type="checkbox"/>	Collateral Checklist: Original Logbook/Title <input type="checkbox"/> 2 Coloured passport photographs <input type="checkbox"/> Car insurance cover note: (noting chai interest) <input type="checkbox"/>
FOR OFFICIAL USE: Received & verified by (Name)Signature & Stamp..... Date:		

A. APPLICANT'S PERSONAL DETAILS

Surname:	Other Names:	
Date of Birth:	ID/No:	KRA PIN:
Current Postal Address:	Mobile No:	Email Address:

B. EMPLOYMENT DETAILS (for employed members only)

Name of Employer:	Employer Tel. No:	
Terms of Service: Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Contract <input type="checkbox"/>		
If Contract/Temporary for what period: <input type="checkbox"/> Months	Workstation	
Date of Employment:		
Payroll/Employment No:	Designation:	County
	Department:	Sub-County

C: BUSINESS / FARMER DETAILS (for business members and farmers only)

Business Name:	Type of Farming (if a farmer):
Duration of Business/Farming:	Place of Business/Farm

D: INCOME DETAILS:

Gross Monthly Income (Kes.)	Estimated Monthly Expenses (Kes):	Estimated Net Monthly Income (Kes):
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E. LOAN PRODUCTS

Loan Type		Repayment Period	Tick one
1	Mifugo Loan	36 Months	
2	Jeki Loan	36 Months	
3	Micro Credit Loan	36 Months	
4	Main Loan	48 Months	
5	Golden Loan	48 Months	
6	Super Loan	60 Months	
7	Vision Loan	96 Months	
8	Investment Loan	72 Months	
9	Asset Finance	60 Months	

Loan Type		Repayment Period	Tick one
10	Kilimo Advance	6 Months	
11	Dividend Advance	6 Months	
12	Salary Advance	6 Months	
13	Emergency Loan	12 Months	
14	School Fees	12 Months	
15	Chaifama Loan	36 Months	
16	Product Loan (upto 20,000)	12 Months	
17	Product Loan (above 20,000)	36 Months	
18	College Loan	24 Months	

F: CHAI SACCO LOANS TO BE CLEARED/CONSOLIDATED (List loans to be cleared by the new loan)

1.	3.	5.
2.	4.	6.

G: LOAN IN OTHER INSTITUTIONS

Institution	Amount Granted	Outstanding Balance
1.		
2.		

H. LOAN PARTICULARS:

Loan Applied for Kes:	Repayment Period:
Amount in words:	

I: LOAN PURPOSE AND CATEGORY (Mandatory)

Kindly refer to the Appendix on Page 5 & 6 to complete the table below.

Classification code:	Economic sector code:	Sub-sector code:
E.g. 1000(Agriculture)	E.g. 1200 (Animal Production)	E.g.1210 (Dairy Farming)
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J. MODE OF DISBURSEMENT

Disbursement of the approved loan amount will be to member's Fosa Savings Account.

K. LOAN SECURITY**(i) Guarantors:**

In consideration of guaranteeing the above loan or any lesser amount that may be approved, we the undersigned hereby acknowledge to have read and understood the terms and conditions of this application and accept jointly and severally the liability for repayment including interest and cost appertaining to the aforementioned loan in the event of the borrower's default. We understand that the amount in default may be recovered as an offset against our deposits or savings in the society or by attachment of property, terminal benefits or salary. I hereby confirm:

TO BE FILLED BY GUARANTORS							OFFICIAL USE
Member Name	I.D No.	Mobile No.	Payroll No	Employer Name	Signature	Date	Guarantor approved or rejected

(ii) Collateral (If applicable ignore)

COLLATERAL DETAILS						OFFICIAL USE
Asset Type	Land Registration No or M/v Chassis No.	Title (Lease)/ Car Registration No.	Valuation Amount (Forced Sale Value)	Insurer	Insurance Policy Number	Collateral approved or rejected

L. BORROWER'S DECLARATION

I..... (name) hereby declare that the foregoing particulars are true to the best of my knowledge and belief. I agree to abide by all the terms and conditions governing this loan and any other future amendments as may be reasonable made from time to time. I further declare that I have understood and accepted the terms of this loan product and I hereby authorize the Sacco to credit the proceeds of this loan to my CHAI SACCO Savings account. I also authorize necessary deductions to be made from my salary as repayment for this loan. I also declare that incase the employer delays the deductions; I will be paying personally to CHAI SACCO every month until action is taken by the employer.

Signature..... ID No:Date:

M: IRREVOCABLE AUTHORITY:

Authority to the employer to recover loan through check off system.

I.....whose particulars are shown above, do hereby accept the loan on the terms and conditions contained herein and hereby give my employer of P.O. BoxIrrevocable authority to deduct from my salary the principal and interest of the approved amount for the period of the loan and remit the same to the CHAI SACCO and in the event of termination from employment for whatever reason authorize my employer to deduct and pay any outstanding loan and interest from my final dues to CHAI SACCO.

Signature: Date:

Witnessed by Employer (Human Resource/Accountant)

Name:	Signature & Stamp:
Designation:	

N. ELIGIBILITY APPRAISAL (for Official Use Only)**i) LOAN'S OFFICER**

I have analyzed and appraised this application and confirmed that;

Appraisal item	REMARKS
Loan entitlement	
Share capital Balance	
Chai Loan clearance	
Bank loan Buy off	
Loan arrears	
Guarantors loan arrears	
Guarantors call back	
Repayment period	
CRB Status	
2/3 Salary Requirements	
Salary pays point	

Any other Comments.....

Appraising Officer:

Name Signature..... Date.....

ii) BRANCH STAFF COMMITTEE

We confirm that the applicant is a member of CHAI SACCO and we recommend/ not recommend him/her for the loan. (To be signed by authorized signatories)

Name:	Signature:	Date:
Name:	Signature:	Date:
Name:	Signature:	Date:

Branch Staff Committee Decision (Tick as appropriate)

APPROVED <input type="checkbox"/>	Amount approved. Kes.....	Repayment Period	Instalment Amount per Month Kes
REJECTED <input type="checkbox"/>	Reasons for rejection:		

Credit Manager's Decision

.....

Name..... Signature..... Date.....

Chief Executive Officer's Decision

.....

Name..... Signature..... Date.....

Disbursing officer.

I have confirmed that the above loan of Keshas been approved and I have ensured that relevant recovery (s) have been effected as per Member's request, the appraisal and approval conditions on disbursement of the loan.

Name Signature..... Date.....

TERMS AND CONDITIONS FOR LOAN APPLICATION

All loans are granted in accordance with the loan policy basic requirements

1. A member must have finished at least three months of active membership and continuous contributions for the minimum period of three months.
2. In granting this loan, a member shall:
 - a) Produce the original copy of this loan form, a copy of identity card, KRA pin attached with at least two (2) latest original pay slips duly stamped and forwarded by the employer (Factory Unit Manager-FUM or Factory Accountant -FA)
 - b) Submit a copy and original title /Logbook in case of collateral use.
 - c) Not be granted loans exceeding four (4) times his/her deposits unless deposit is not part of the terms.
 - d) Not be allowed to suffer deductions including loan repayment in excess of 2/3 of his/her basic salary
 - e) Be required to attach not less than three (3) active members as guarantors whose sum of share savings is equivalent to the loan applied.
3. The dividends / rebates will be capitalized for members who have borrowed vision loan
4. The borrower will bear the legal and valuation charges for collateral use. Valuation and legal services will be provided by valuers and lawyers provided by the Chai Sacco Society.
5. Chai Sacco reserves the right to charge such rate or rates of interest as it may in its sole discretion from time to time decide. The Sacco shall give the Borrower notice prior to any change in the rate or rates of interest payable and changes in the terms and conditions in such manner as permitted by the loan policy.
6. In case of loan default, the Society reserves the right at its discretion to:
 - a) Recover the outstanding loan balance from guarantors upon notification.
 - b) Attach any property, benefits or emoluments directly attributed to the member used as a security against the loan.
 - c) Charge a default interest rate or any other amount incurred by the society or its agents in recovering the defaulted loan
 - d) Upon notification and subsequent lapse of grace period, list the member with the Credit Reference Bureau.
7. Repayment of the facility will be effected directly through check-off from your employer. Chai Sacco reserves the right to ensure the check-off arrangements are finalized and confirmed with your employer before release of funds. In the event that check off arrangements are not finalized as anticipated for whatever reason, your obligation to repay the loan will remain and you will be expected to make direct payments into your loan account as they fall due, until your employer effects the check-off or until the loan is repaid in full, whichever will come earlier.
8. Appraisal fee and interest will be charged as per the terms of product borrowed
9. Disbursement of the loan proceeds shall be credited to your Chai Sacco Savings Account. In case you wish to transfer, the funds will be released to you by way of a Society Cheque or any other means at the prevailing cost, which will also be debited to your account.
10. A non-refundable insurance fee will be charged on a monthly basis to cover death and permanent disability to the borrower. The amount payable under this cover will be solely for clearing the outstanding loan or part thereof as at the date of the accident, depending on the extent of disability caused. You will make necessary prior arrangements to ensure that in the event of death or incapacitation, the matter is reported to the Society without delay to facilitate lodging of a claim. Any claim made after 6 months from the date of the accident/death will be time-barred and will not be honored.
11. For Confidentiality of Information, the society may hold and process, by computer or otherwise, any information obtained about the Borrower as a consequence of this agreement.
12. The Borrower agrees that the Society may:
 - i. Permit other lenders within the Society's group to use personal data and any other information it holds about the Borrower on the Society's customer system to bring to its attention products and services which may be of interest to the Borrower.
 - ii. The Borrower further agrees that the Society may disclose its data and / or information relating to the borrower including data and information relating to any transaction Documents or the assets,

Business or affairs of the Borrower outside the Society whether such data and/or information is obtained after the Borrower ceases to be society's customer or during the continuance of the Society-customer relationship or before such relationship was in contemplation:

- a. For fraud prevention purposes;
 - b. To licensed Credit Reference Bureaus or any other creditor;
 - c. To its external lawyers, auditors and other sub-contractors or Persons acting as Society's agents;
 - d. To any person who may assume the Society's rights under this Letter;
 - e. If the Society has a right or duty to disclose or is permitted or Compelled to do so by law; and
 - f. For the purpose of exercising any power, remedy, right, authority, or discretion relevant to this facility, Letter or any transaction Document following the occurrence of an event of Default, to any other person or third party as well.
13. The Borrower acknowledges and agrees that, notwithstanding the terms of any other agreement between the Borrower and the Society, a disclosure of information by the Society in the circumstances contemplated by this paragraph does not violate any duty owed to the Borrower either in common law or pursuant to any agreement between the Society and the Borrower or in ordinary course of Society business and the customs, usage and practice related thereto and further authority from the Borrower and without inquiry by the Society as to the justification for or validity of such disclosure.

Cooling off

By signing this contract the borrower will be deemed to have exercised his/her freedom to enter into the agreement, understood the suitability of the product and the terms and conditions of the contract.

General

1. The Borrower may not assign all or any part of his/her rights, obligations or benefits under this agreement. Any notice or demand for payment by the Society shall be deemed to be properly served if it is delivered by hand, or sent by registered post or facsimile to the address or facsimile number set out in this agreement or to any other address or facsimile number the Borrower may notify the Society in writing. A notice or demand, if delivered by hand, shall be deemed to be received at the time of delivery, if sent by registered post, shall be deemed to be received by the Borrower 5 days after posting and if sent by facsimile, shall be deemed to be received at the time of transmission. Any failure or delay by the Society to exercise any right, power or privilege granted by law shall not be deemed to be a waiver by the Society as to the exercise of such right, power or privilege. You will be required to notify the Society promptly of any change of address or place of employment during the period of the facility. Such notification should be given in writing.
2. The Society shall be entitled to vary these Terms and Conditions from time to time in the event of any change in applicable law or regulation or in the application or interpretation thereof or the occurrence of any event which in the sole opinion of the Society, materially and adversely affects the Kenyan financial market. Subject to the requirements of any statute, notification of any such variation shall be given to the Borrower either in writing or by publication thereof by such means as the Society may select as permitted by law and a variation so effected shall be binding on the Borrower
3. In the event that legal opinion or other action is necessary in relation to your account or recovery of the debt, it is agreed that legal costs and all reasonable charges will be for your account.
4. This offer is subject to the loan request being approved and is valid for one (1) Month up to and provides for full or partial drawdown of the facility. Failure to accept the terms of this agreement or to draw the facility by the date stated will constitute automatic cancellation of the facility approved.

Acceptance of the Terms and Conditions contained in this agreement shall be indicated by the Borrower providing the Society with the original of this Agreement duly signed as evidence of acceptance of the terms and conditions as stated. The Society recommends that the Borrower seeks independent advice on the terms of this agreement to help him/her to fully understand what the facility involves and the potential consequences and implications for the Borrower agreeing to its terms.

I have read, understood and undertake to comply, observe and be bound by the terms and conditions and tariffs in force which may be amended from time to time

Applicant signature..... Date.....

SECTORAL CLASSIFICATION OF CREDIT FINANCING BY DT-SACCOS

CODE		ECONOMIC SECTORS
1000		AGRICULTURE
	1100	Crop Farming
		1110 Tea Farming
		1120 Coffee Farming
		1130 Sugarcane Farming
		1140 Other Cash Crops Farming e.g. cotton, sisal, etc.
		1150 Rice Farming
		1160 Other Cereals Farming such as maize, wheat, sorghum. Millet etc
		1170 Legumes such as beans, peas, snow peas, cow peas, French beans etc
		1180 Horticulture crops such as vegetables, fruits, flowers
		1190 Roots & tubers such as Irish potatoes, sweet potatoes and cassava
	1200	Animal Production
		1210 Dairy farming
		1220 Beef Production
		1230 Poultry Farming
		1240 Bee keeping
		1250 Rabbit Farming
		1260 Sheep and Goat Rearing
		1270 Pig Farming
		1280 Others
	1300	Agricultural supporting services
		1310 Agricultural machinery such as truck, tractors and other farm tools
		1320 Water, Irrigation and supporting services
		1330 Veterinary and related services
	1400	Agribusiness
		1410 Agricultural equipment and accessories
		1420 Dealers in agro-chemicals, seeds and other farm inputs
		1430 Distribution of farm produce
	1500	Forestry and Logging
		1510 Agro forestry
2000		TRADE
	2100	Wholesale and Retail
		2110 Wholesale
		2120 Retail
	2200	Transport
		2210 Public service transport
		2220 Purchase of motor vehicle accessories
		2230 Transportation of goods
	2300	Hospitality
		2310 Accommodation, restaurants, conference facilities, event planning & outside catering, theme parks (wedding and others)
		2320 Schools and kindergartens
		2330 Medical clinics and equipment
	2400	Foreign Trade
		2410 Import
		2420 Export
3000		MANUFACTURING AND SERVICING INDUSTRIES
	3100	Cottage Industry
		3110 Jua-kali Industry
		3120 Small scale Agricultural Produce processing
		3130 Dressmaking Industry

		3140 Leather tanning	
		3150 Carving and handcrafts	
	3200	Servicing Industry	
		3210 Motor vehicle repairs	
		3220 Professional services such as Barber shops	
		3230 Working capital for learning institutions, churches & business enterprises	
		3240 Promotion of local tourism	
	3300	Information, Communication and Technology	
		3310 Computer services and Internet	
		3320 Computer software and hardware	
		3330 Telecommunication Equipment	
4000		EDUCATION	
	4100	Education and related services	
		4110 School fees for primary and secondary schools including shopping and accommodation	
		4120 College fees, University fees, training fees, seminar fees	
		4130 Research and scientific activities, etc.	
5000		HUMAN HEALTH	
	5100	Human health and related services	
		5110 Medical Bills, purchase of medicine	
		5120 Maternity Bills and expenses	
6000		LAND AND HOUSING	
	6100	Land	
		6110 Purchase of plots	
		6120 Land purchase services such as surveying and valuation	
	6200	Housing	
		6210 Construction of multiple residential buildings	
		6220 Construction of commercial buildings	
		6230 Construction of single residential dwelling units	
		6240 Renovations of the buildings	
7000		FINANCE, INVESTMENTS AND INSURANCE	
	7100	Microfinance	
		7110 Payment to microfinance loans	
	7200	Commercial Banks	
		7210 Payment to Commercial bank loans	
	7300	Mortgage Finance	
		7310 Purchase of residential property/payments to mortgage loans in other financial Institutions	
	7400	Insurance	
		7410 Payment to insurance policies	
	7500	Investments	
		7510 Buying of Sacco shares	
		7520 Purchase of quote shares, unquoted shares, treasury bills & bonds, commercial papers, unit trusts and other quoted public funds	
		7530 Paying personal debts to non-registered institution	
8000		CONSUMPTION AND SOCIAL SERVICES	
	8100	Utilities	
		8110 Expenses incurred relating to car and electronic repairs, bills like electricity, sewer, water, decoder, personal debts to family members and friends etc.	
	8200	Utilities	
		8210 Household necessities like food, beverages and basic household products.	
	8300	Consumer Durables	
		8310 Goods that do not wear out quickly like automobiles (cars), books, household (home appliances, consumer electronics, furniture, tools, etc.) sports equipment, jewelry, toys, etc.	
	8400	Social and communal expenses	
		8410 Burial expenses, wedding expenses, rites of passage expense	