



**LOAN APPLICATION FORM AND LOAN AGREEMENT**

LOAN NO: \_\_\_\_

1. **PERSONAL INFORMATION**

**ALL MEMBERS**

Members name.....

Members address (postal).....

Members physical address..... Period stayed at

current physical address..... Member

number .....

**FORMAL EMPLOYMENT**

Employer and mailing address..... Payroll

number .....

Present net income.....

Monthly expenditure.....

Terms of service/ permanent/ temporary/contract/pension (tick one)

Position in SACCO society-committee/officer/member/other specify.....

Period of service with current employer .....

**INFORMAL EMPLOYMENT/OPERATING BUSINESS**

Business name.....

Type of business .....

Business location (physical).....

Mailing address..... Telephone number (mobile).....fixed line..... Average earnings per month.....

2. **LOAN APPLICATION AND REPAYMENT**

I .....hereby apply for a loan of Kshs.....amount in words.....for a period of.....months to be repaid in instalments of Ksh.....each month commencing on.....

**NOTE: the loan insurance premium is recovered upfront from the amount applied for.**

3. **PURPOSE FOR WHICH LOAN IS APPLIED**

(In case of several uses of the loan state the exact amount for each).

- I. ....Ksh.....
- II. ....Ksh.....
- III. ....Ksh.....

4. **SECURITY WHICH I OFFER FOR THE LOAN TAKEN**

- I. ....
- II. ....
- III. ....
- IV. ....

5. **DECLARATION**

I hereby declare that the fore going particulars are true to the best of my knowledge and belief and agree to abide by the bylaws of the society, the loan policy, and any variations by the credit committee in respect to section 2 above.

I hereby declare that am not indebted to any other credit society either as a borrower or endorser.

I hereby commit unreservedly to remit the monthly loan repayment to Karura Community SACCO without fail.

Signature: .....date: .....

Witness signature.....date: .....

Name: .....

Address: .....mobile no.....

Physical address: .....

Period of stay at current physical address .....

**6. REPAYMENT GUARANTEE**

We the undersigned hereby accept jointly and severally liability for the repayment of the above applied for loan in the event of the borrower's default. We understand that the amount in default may be recovered by an offset against our shares in the society or by attachment of our property or salary and that we shall not be eligible for loans unless the amount defaulted by the loan applicant has been cleared in full. Each guarantor should state the amount for which he accepts liability in the event of default.

**GUARANTORS**

	<u>Name</u>	<u>Amount guaranteed</u>	<u>Shares Ksh.</u>	<u>Loans Ksh</u>	<u>Signature.</u>
<u>1</u>					
<u>2</u>					
<u>3</u>					

## 7. THE CRB CONSENT CLAUSE

### a) Customer Declaration:

With respect to this application I authorize **Karura Community SACCO** to carry out credit checks with or obtain my credit information from, a credit reference bureau. In the event of the account going into default, I consent to my name, transaction and default details being forwarded to a credit reference bureau for listing. I acknowledge that this information may be used by banking institutions and other credit grantors in assessing applications for credit by me, associated companies, and supplementary account holders and for occasional debt tracing and fraud prevention purposes.

### b) Disclosure of information:

- i. You agree that the **Karura Community SACCO** may disclose details relating to your Loan account to any third party including credit reference bureaus, if in **Karura Community SACCO's** opinion such disclosure is necessary for the purposes of evaluating your creditworthiness or any transaction with or credit application made to **Karura Community SACCO** or such third party, maintaining your account with **Karura Community SACCO** or for any other lawful purpose.
- ii. You agree that the **Karura Community SACCO** may disclose details relating to your Loan account including details of your default in servicing financial obligations on your Loan account to any third party including credit reference bureaus for the purpose of evaluating your credit worthiness or for any other lawful purpose.

Name: \_\_\_\_\_

Member No: \_\_\_\_\_

Signature \_\_\_\_\_

## 8. FOR OFFICIAL USE ONLY

Total deposits Ksh.....total loan outstanding Ksh..... Loan frequency during the year.....amount currently requested.....

Deposits Ksh.....X 3 = .....

Members present income Ksh .....X .33 =  
Ksh.....(maximum available monthly repayments).

Payment to society including payments on loan requested are Ksh..... (Must not exceed above amount)

I certify that the above application is / is not within the rules of the society. If not say why

.....

Prepared by .....date.....

**9. OFFICIALS' signature date.**

Chairman .....

V/Chairman.....

Secretary .....

Treasurer .....

**10. CREDIT COMMITTEE**

Loan approved, Ksh .....recoverable in .....instalments at an interest rate of 1 percent per month on reducing balance.

Indicate the reason for deferral, rejection by ticking the proper box below:

**Reasons for deferred loans**

Incomplete information or lack of supporting documents

Timeliness

Renegotiate loan terms or purpose

Inadequate funds to meet loan demand

**Reasons for rejected loans**

- 1) Inability to repay or bad repayment history
- 2) Loan not in proportion to the shares
- 3) Clear outstanding loan balance
- 4) Excessive loan frequency
- 5) Lack of proper guarantors or security
- 6) Membership period
- 7) Ineligible purpose

Credit committee minutes no.....date.....

Chairman's signature .....date.....

Member's signature .....date.....

**11. DISPATCH OF THE CHEQUE**

Cheque No. ....Ksh .....date..... Cheque posted on  
.....date.....

Cheque hand delivered by .....date.....

Applicant's signature.....date.....