



BORESHASACCO SOCIETY LTD

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LAF-01

COSA LOAN APPLICATION AND AGREEMENT

Loan No..... Month..... Year..... Date.....

COUNTY..... SUB-COUNTY.....

Read rules at the back first before you fill this Form.

LOAN APPLICATION AND AGREEMENT

A. PERSONAL INFORMATION (FILL IN CAPITALS)

1. Member's Name
(As it appear in National ID)
2. Home Address
Cell No..... Employee No
3. Membership No KRA Pin.....
4. ID No Date of birth.....
(Attach ID copy)
5. Employer
Address.....
6. School/Dept.....
Address.....

7. Loan outstanding Ksh..... as
at the end of (Month).....
9. Loan Type (Tick One Box):
Development Loan Refinance Loan SQL
School Fees Loan Emergency Loan
New Member Introductory Loan (NMIL)
Note-For SQL and NMIL Fill a Pre-Appraisal Form
10. Three Original latest pay slips for the months of
.....
have been attached. (Attach KRA Pin Certificate)
11. E-Mail Address.....

B. LOAN APPLICATION & REPAYMENT (Read Rules 1 – 18 at the back Page)

I hereby apply for a Loan of Kshs.....
(In words).....
for a period of months. (Installments to include repayment and interest) Commencing in the month of
..... Purpose for which loan is applied.....

C. SECURITY WHICH I OFFER FOR LOANS (Tick the Box):

1. Shares/Savings 2. Deposit 3. Guarantors 4. Salary 5. Others

D. 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 Society, the Loan Policy and any variations by Credit Committee in respect of section B above. I hereby authorize the necessary deductions, including prevailing interest to be made monthly from my salary as repayment for this loan. I declare that I am not indebted to any other Credit Society, Bank or Loan agency except as listed herein either as Borrower or Endorser. ***I also declare that in case the Employer delays the deductions, I will be paying personally to the SACCO's Bank/FOSA Account every month to avoid Accrued Interest until ACTION is taken by the Employer.***

E. LOAN ACCEPTANCE

I..... hereby accept the loan of Ksh..... which has been approved. The loan will be deducted for months beginning..... My FOSA Branch is.....
Account Number Loanee's Signature Date.....

WITNESS: (HEADTEACHER/DELEGATE/SUPERVISOR/HRM):- Name.....

Tel/Mobile No..... M/No..... P/No..... Signature.....

Address Sub-County..... Date.....

F. OFFICIAL USE

Loan applied Ksh..... for Months. Loan approved Ksh..... for..... Months

1. LOAN ON Kshs..... E/CODE..... OFF Kshs..... BAL Kshs..... W.E.F.....

2. Savings ON Kshs..... E/CODE..... OFF Kshs..... BAL Kshs..... W.E.F.....

Credit Officer's Name Sign..... Date.....

Receiving Stamp

CDS Stamp

REPAYMENT GUARANTEE: GUARANTORS

A. We the undersigned, hereby accept jointly and severally liability for the repayment of the loan in the event of the Borrower's default. We understand that the amount in default may be recovered by an offset against our savings/deposits in SACCO or attachment of our property or salary, and that we shall not be eligible for loans unless the amount in default has been cleared in full. We individually sign and give our contact addresses as follows:-

CAUTION: Guarantors are advise to read all information supplied in this form by the applicant and terms and conditions contained in order to understand the full implication of loan guarantee.

NAME	Mno.	PNO.	Deposits and Savings Pledged Kshs.		Signature
			In Figures	In Words	
Name 1					
Address & Tel No.				
Name 2					
Address & Tel No.				
Name 3					
Address & Tel No.				
Name 4					
Address & Tel No.				
Name 5					
Address & Tel No.				
Name 6					
Address & Tel No.				
Name 7					
Address & Tel No.				
Name 8					
Address & Tel No.				

Where collateral is used as security, fill the following portion;

Brief description of the property.....

Value of the property Ksh..... is the property charged (Yes/No).....

IF charged provide details.....

Note: Boresha cannot be a second chargee and where property provided is insufficient you may be requested to add guarantors.

B. **FOR OFFICIAL USE ONLY:** Loan form received on..... by.....

DATA ENTRY: Guarantors' Eligibility checked and Posted By..... Sign..... Date.....

Communication to applicant done on..... Content.....

..... Name..... Sign..... Date.....

C. **CREDIT OFFICER APPRAISAL** Share capital Ksh..... Equity Shares Ksh..... as at (Date).....

Loanee's Eligibility based on the Month of Loan Bal. Kshs.

SAVINGS/DEPOSITS

LOANS

Loanee's Savings Kshs Eligibility 3 or 4 = Kshs.

Guarantors Savings/Deposits Kshs Loan required Kshs.

Total Savings/Deposits Kshs Required Ln. + Ln.Bal. Kshs.

Net pay Kshs ²/₃ of Basic Pay Kshs..... Net pay less ²/₃ of basic pay Ksh.....

Deductions: Loan + Interest + Savings = KShs. (Must not Exceed Salary ²/₃ of Basic Pay Above)

The Guarantors' and Loanee's Savings cover the Loan Yes/No.

The Member qualifies for Kshs. at Kshs. for Months.

Loan Repayment: Increase from Kshs. to Kshs. w.e.f. 1st

Communication to applicant done on Content.....

Appraised by Name Sign Date

Ksh.
TOTAL
(Should be more than or equal to the loan applied)

A. APPROVAL/ ENDORSEMENT

- a) I recommend that this Loan Application be Approved Kshs.forMonths
 In words Kshs.
 Additional LRI from Kshs.....to Kshs..... w.e.f 1st.....
 NameSign.....Date.....
- b) I recommend that this loan application be Declined/Deferred due to the following reasons / Comments

 Name.....Sign.....Date.....

B. CREDIT COMMITTEE MINUTE No.Meeting held on

It was resolved that this application be:-

- a) Approved for Kshs. to be recovered withinMonths.
 Installment at Kshs. per month Commencing from Year
- b) Deferred Because
- c) Declined Because
- Chairman Secretary Member Date

The cashier is hereby authorized to prepare payment for the amount approved subject to sufficient funds being available.

REASONS FOR DEFERRED LOAN		REASONS FOR LOAN DECLINE	
D1.	Incomplete information.	R1.	Inability to repay or Bad-repayment history.
D2.	Lack of supporting document.	R2.	Loan not in proportion to Savings/Deposits.
D3.	Timeliness.	R3.	Clear outstanding Loan.
D4.	Renegotiate Loan terms or purpose.	R4.	Excessive Loan frequency.
D5.	Inadequate funds to meet loan demand.	R5.	Lack of proper Guarantors, Security.
D6.	I.D. Photocopy / Latest pay slips.	R6.	Membership Period.
D7.	Guarantor to a defaulter.	R7.	Ineligible purpose.
D8.	Form Not Signed or Names differ.	R8.	Convert to Instant & Refinancing or SQL Terms.

C. APPROVED LOAN AND UPFRONT DEDUCTIONS

Amount approved Kshs.....at.....for.....Months
 Less Loan(s) to offset Kshs.....
 Less clearance/processing fee Kshs.....
 Less instant interest on loan Kshs.....
 Less other deductions (specify) Kshs.....
 Net amount payable to FOSA A/C Kshs.....
 Net amount in words Kshs.....
 Prepared by: Name.....Sign.....Date.....

D. FURTHER CORRESPONDENCE

Letter/SMS to Member onSign Date

Content:

E. CHECKED BY INTERNAL AUDIT

Comments.....
 Name.....Sign.....Date.....

F. LOAN DISBURSEMENT DETAILS – ACCOUNTS DEPARTMENT

FOSA Branch..... Account No.Kshs.....
 Checked/Confirmed by:Name Sign Date

Posted by: Name.....Sign Date

COSA LOAN RULES AND POLICY

1. To qualify for a loan, Member must hold Share Capital and be contributing Savings Every Month. Total Loans will not exceed four (3 or 4) times Savings/Deposits held by Member.
2. No Member will be permitted to suffer Total Deduction which exceeds $\frac{2}{3}$ (66%) of Basic Salary. Employer Demands “**Net Take Home**” of $\frac{1}{3}$ of Basic Pay Per Month.
3. Loan Forms **not properly filled** will **NOT** be considered but returned to Member for corrections. Attach **3 Original Latest Pay Slips** and photocopies of ID, KRA Pin, supporting documents and certification duly signed by Authorised Persons.
4. **Guarantors** – Must state amount pledged and sign. Should not guarantee three (3) Loans at any given time. Will not be allowed to withdraw / resign from the SACCO unless he/she finds another Guarantor to replace.
5. All payments will be through Front Office - FOSA/SASA Accounts - which should be indicated in this Form - (Page 1).
6. All Loans, Withdrawals / Refunds are approved fortnightly and monthly by the Authorized Committee.
7. Processing of Loan Application Forms is done Daily and Weekly by the Loans Officer.
8. Only Qualifying Loan Forms will be registered and processed. Communication will be done to the member on the outcome of the loan application and also in case of successful/unsuccessful applications.
9. All Loans will be repaid separately. In case of same rate or Top-up, then refinance Policy will be applied.
10. A guarantor to a defaulter shall not be eligible to a loan unless amount in default has been fully cleared.

11. DEVELOPMENT LOAN

To be Approved after clearing all loan balances including Emergency and School Fees. Development Loans include Development projects and Investment. Repayment Period up to 72 Months (Minimum shares capital is a must).

12. SCHOOL FEES LOAN

May be granted on top of Normal Loan on condition that Three installments for the Previous Loan has been received and that the Member is able to repay all loans separately. Fees schedules that show names of students and amounts must be attached. Maximum repayment period is up to 24 Months.

13. EMERGENCY LOAN

Strictly granted for serious calamities i.e. Medical, Funeral and Court Fines. Must be supported by relevant documents Maximum repayment period 12 months separately.

14. REFINANCE (TOP UP)

Additional Loan granted to a member who already has an existing loan. The existing loan is cleared by the new loan. Maximum repayment period is 60 months.

15. SACCO QUICK LOAN – SQL

Granted to members with loans in other financial institutions. Maximum loan which can be bought from other institutions is Ksh.300,000. Maximum repayment period is 60 months.

16. NEW MEMBERS INTRODUCTORY LOAN (*fill Pre-Appraisal form*)

Granted to newly recruited salaried Members. Member qualifies once the first shares/savings installment has been deducted by employer. $\frac{1}{4}$ of approved loan is retained as savings; Repayment period is upto 40 months.

17. In the event I default in servicing the loan amount herein, the Sacco reserve the right to share my credit information with other financial Institutions, public authorities and licenced Credit Bureaus (CRB), subject to any applicable law. I shall have no claim against the Sacco or any of it's officers and I shall indemnify against any loss arising out of claim brought by myself or as a result of such disclosure.

18. **Declaration:** I.....hereby declare that I shall abide by all the above loan rules and policy.

Sign.....Date.....

Form Issued by Name..... Sign Month Sub-County/Branch.....