KEYIAN SACCO LIMITED

Postal address: 138 KILGORIS

CS/31500

CREDIT POLICY

PREFACE

The main activity of **Keyian Sacco** Society Limited is to provide a saving platform and give loans to our members for economic empowerment. The purpose for the credit policy is to provide guidance in decision making and also to enhance the operations of the credit activities. It details out the procedures to be followed towards a uniform level of understanding in the interpretation and administration of credit at the SACCO society.

This credit policy therefore ensures that all members are subjected to the same procedures and processes on eligibility for loans, application processes and recovery measures. The credit sub-committee shall oversee loan applications, appraisal and repayments. It shall ensure that all loans and recoveries are subjected strictly to terms and conditions spelt here in.

ABBREVIATIONS AND ACRONYMS

CIG	Common Interest Group
FPO	Farmer Producer Organization
LTD	Limited
MG	Matching Grant
SACCO	Savings and Credit Co-operative
VMG	Vulnerable and Marginalized Group
VIP	Value Chain Investment Products
TIMPS	Technology Innovations Management Practices

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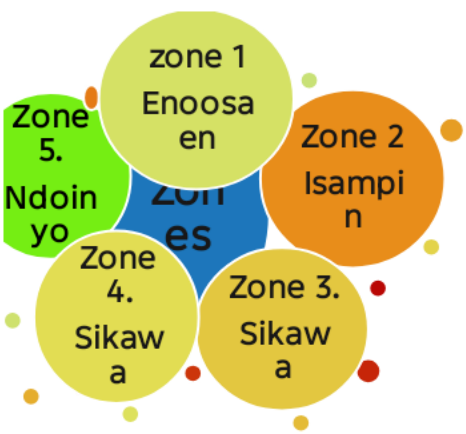
1. Introduction

1.1 Background Information

Keyian SACCO Society Limited is located at Enoosaen Shopping Centre, Keyian ward, in Transmara West Sub county of Narok County. The SACCO was registered on **10th January,2025** and the registration number is **CS/NO 31500.** The SACCO draws its membership from CIGs, VMGs, FPOs and individuals involved in Potato, Poultry, Avocado, Cow milk and Tomato farming among other economic activities. It operates in Keyian ward with Four (5) zones namely;



The total membership disaggregated by gender is as follows Male 71 Female 257 Youth 124. The membership from the CIGs are and, their total shares and savings, are Kes. 315,000, current loan amount stands at KES 0 inclusive of amounts not yet captured in the system.
The SACCO has a total membership of.228 comprising of 160 males, 68 females and 124 youth. Out of the total membership, 228 are CIG/VMG members. The members have so far contributed KES 354,910 in share capital, 227,715 savings and KES 114,500 registration fees. The SACCO hasn't yet disbursed any loan however the plans are underway

1.1.1 Vision

To be the leading SACCO in improving community livelihood through affordable and accessible financial products.

1.1.2 Mission

To empower members through mobilization of savings and provision of affordable credit to improve the social economic status of members.

1.2 Objectives of the SACCO are to:

a) promote thrift among its members by affording them an opportunity for accumulating savings and deposits and thereby create a source of funds from which loans can be availed to them exclusively for provident and productive purposes, at fair and reasonable costs
b) ensure personal growth through the introduction of new products and services that will promote the economic base of the members.
c) ensure progress of members and society through continuous education programs on proper use of credit, reduction of poverty, human dignity and co-operation.
d) apply the co-operative principle of co-operation among co-operatives in order to promote members' interests.
e) Carry out any other activity(ies) that would enhance the achievement of the primary object but which must be approved by the general meeting

In furtherance to achieve these objectives, the SACCO shall endeavor to;

a) increase membership from 100% percent in the next five years
b) grow share capital and deposits to 100 percent in the next five years

c) be a fully automated SACCO, seamlessly linking members and other key stakeholders to enhance efficiency and generate real time reports.

1.3 The purpose of the Credit Policy

The policy is meant to outline the guidelines on how the SACCO shall offer credit services that are linked to the savings of each individual member and /the or CIG/VMG corporate members as

It is therefore designed to conform with and supplement the by-laws of the society with a view to: -

i) create terms and conditions for loan qualification
ii) ensure fairness and equity on loan granting
iii) standardize loan application and approval procedures
iv) ensure loan repayment and recovery measures are function
v) incorporate the elements that suit unique circumstances experienced in the society.

2. Membership

A member is considered to be fully paid up after paying registration fees, continuously saving and owns at least 30 share in terms of capital. To that effect no person shall be considered as member unless he/she has made such payment to the society in respect of membership.

2.1 Member's Savings

Savings form an integral part in the SACCO and therefore: -

a) each member shall save a minimum of KES 200 every month.
b) a member can only qualify for the first loan after having saved continuously for a period of Three (3) months.
c) a member who pays savings in lump sum (more than the current amount saved) for the purpose of applying for a loan, then the savings will be retained in the society for at least three (3) months before the lump sum added is considered for a loan qualification.
d) despite the savings being considered for loan qualification, loans shall be granted subject to availability of funds.

2.2. Member's share capital

For a member to qualify for a loan he/she mus9t have at least one share and no member, shall hold more than one-fifth of the issued and paid-up share capital.

3. Credit Products

The SACCO shall offer credit services to only members who are fully paid up and have complied with the credit policy and creditworthiness requirements. Granting of a loan shall be based primarily on the member's capacity, character, purpose of the loan and ability to repay of the following: -

3.1 Normal Loan products

These are referred to as conventional loan products whose features are: -

a) Development loan

1) granted up to three (3) times the members' savings as at the time of applying for a loan however not more than Kes 100,000.
2) attracts competitive interest rate of 2.5% (p.m.) on a flat rate
3) granted for provident/productive or development purposes such as buying land, livestock, building, purchase of equipment, machinery and vehicles
4) maximum repayment period of six months
5) member must have the ability to repay through the produce or other income sources

b) School fees loan

1) granted for paying fees to schools, colleges and university fees
2) attracts competitive interest rate of 2.5% (p.m.) at a flat rate
3) a member applying must attach supporting documents as evidence
4) maximum loan to be granted is Kes 30,000
5) maximum repayment period is three (3) months

b) Emergency Loans

1) granted to be utilized for unforeseen misfortunes and circumstances beyond member's control namely court fines, finance medical bill, fund fire outbreak expenses, defray funeral expenses.
2) approved and disbursed within two working days or less
3) a member applying must attach a supporting document
4) repayment period is 1 month
5) attracts competitive interest rate of 5 % (p.m) at a flat rate

6) an amount not exceeding Ksh. 10,000 shall not be granted

3.1.1 The Features of the credit products

The Features of the credit products will be as follows: -

an type	Loan product	Maximum loan amount	Interest rate	Mode	Repayment period	Moratorium	Requirements
rmal	Development	3 times member's saving but not exceeding Kes 100,000	2.5%per month	Flat rate	6 months	Not provided	evidence on savings and purpose of the loan
hool Fees	education	Kes 30,000 member's savings	2.5 per month	Flat rate	Twelve months	Not provided	documents from school
ergency	unforeseen circumstances		...% per month		Twelve months	Not provided	supporting document to show proof

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		er's saving but not exceeding Kes 100,000					loan
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Emergency	unforeseen circumstances		...% per month		Twelve months	Not provided	supporting document to show proof

3.1.2 Eligibility criteria

A member shall be considered for a loan after he / she has met the following conditions:

1. be 18 years and above of age and is of sound mind
2. be of high integrity, honest and trustworthy
3. have shares of KES 3,000 and KES 5,000 for an individual and CIGs/VMGs respectively
4. have a minimum monthly Savings/Deposits of KES 5,000 per individual and KES 10,000 per CIGs/VMGs
5. have no delinquent loan
6. have at least Three (3) guarantors whose total savings shall be equal to or more than the loan applied
7. the applicant's qualifications and based on character, ability to repay and specific compliance with requirements
8. A member must have saved regularly for a period not less than six (3) month

3.2 Seasonal Loan Product under the Matching Grant

Besides the normal or conventional loans, the SACCO has developed agricultural loan products that meet farmers' needs and are seasonal because of the maturity of the crops to be improved. The aim of the product is to support the project's value chain investment interventions in Technologies Innovations Management Practices (TIMPs) adoption and strengthening the micro projects that are being implemented by the CIG/VMG members and will be reviewed from time to time depending on the by farmers' needs. The matching grant loan products will be accessed both by individual and corporate members such as CIGs and VMGs.

4. Loan Products for Individual Members

For an individual member, the loan products are but not limited to:

4.1 Maziwa Loan

These are loans that may be accessed by individual members who are engaged in dairy farming

4.1.1 Eligibility Criteria

For an individual member to qualify for the loan the eligibility criteria are that the member must: -

a) be practicing dairy farming for more than one year
b) have two lactating cows
c) selling milk through an FPO and has a delivery number
d) delivering 10 litres of milk per day to the FPO
e) be a consistent saver for a period of at least 6 months
f) be a member of CIG/VMG and qualifies for an MG loan on his/her total savings, but to a maximum of KES 10,000 in the first cycle
g) may qualify for a subsequent loan(s) upon successful repayment completion of the existing loan(s).
h) may qualify for a maximum of KES 20,000 in the second cycle and any other subsequent loans, subject to previous repayment history.
i) the loan applied for is within the CIG/VMG value chain development plan
j) supporting documents duly attached

NOTE: a member will qualify for only one matching grant loan product at a time in each of the cycles (first, second and subsequent cycle).

4.1.2. Features of Maziwa loan product

The following are the features of Maziwa loan products

a) maximum amount of KES. 20,000 in the first cycle
b) repayment period shall be 9 months
c) interest rate shall be 2.5 per month on flat rate
d) maximum loan of Ksh 30,000 in the second cycle and any other subsequent loans will be reviewed based on the repayment history.

Note: All the necessary documents must be attached as required.

4.2 Group or corporate member Loans

Loans to CIGs/VMGs shall be granted for the purpose of undertaking a joint group activity(ies) such as purchase of ploughing and harrowing equipment, fertilizers for distribution to members and farming on a common plot for the benefit of group members.

4.2.1 Eligibility Criteria

For a corporate member as a group to qualify for a loan, it shall meet the following set criteria: -

a) demonstrated ability to repay the loan within a period of 3-12 months,
b) prepared a value chain development plan including the income statement,
c) has governance structures in place, applied for the loan and is willing to abide by the Sacco by-laws and policies,
d) has joined the Sacco by paying; registration fees, share capital for corporates and saving consistently,
e) has adequate savings in the SACCO as a group separate from individual members' savings,
f) applied for the loan by using the prescribed form with sufficient copies to CAFO and CDDC Chairman respectively,
g) has stated clearly the purpose of borrowing as provided in the loan application form,
h) attached an extract of the meeting minutes that approved the value chain development plan of the group,
i) attached copies of the national identity cards of the group officials
j) attached an extract of the minutes of the members meeting that approved the

borrowing,

k) markets the jointly owned produce through the FPO or Off-taker,

l) has an account with the SACCO and have regularly saved for a period of four months, prior to accessing a loan,

m) has opened and operated a bank account with a commercial bank that is acceptable to the project in which the loan will be disbursed.

Note: A group may access subsequent MG loans after repaying the previous loan, implemented all the activities for which the loan was intended and demonstrated the ability to repay the subsequent loan.

4.2.2 The features of the loan for the group that is a corporate member

The following are the features for the loans that can be accessed by a group or corporate member

a) maximum amount of Ksh. 250,000 at a time

b) repayment period is between 3 and 12 months

c) interest rate shall be 12% per annum or 1% per month on a flat rate

d) the purpose must be within the approved value chain development plan

e) necessary documents attached as required

4.3 Dairy Products

Purpose	Maximum loan amount	Tenure/Repayment mode	Moratorium	Qualifying criteria
TIMPS Adoption	10,000	twelve months (monthly equal instalments)	-	• technical capacity to formulate and markets • size of farm
Improved Genetic (Artificial Insemination) AI	10,000	three months	-	• herd size • proof of existing structures

4.4 Additional Matching Grant loans products

The Management committee will develop other loan products depending on members' special needs, subject to availability of funds.

5 Charges for all loans

The SACCO shall develop acceptable charges for all the loan products to include and not limited to:

a) insurance of the all loans and the cost shall be borne by the members as per the rates of the service provider.
b) processing fee of Kes.100 or 1% for the loan amount or KES 10,000 whichever is higher and shall be deducted from the principal loan at the time of disbursement.
c) penalty of 1.5 percent the defaulted loan amount per month for the period that the loan is in default

6. Limitation to borrowing

The following limitations shall apply;

a) no loan shall be disbursed to any member in excess of 5% of the society's total share capital and reserves
b) a member shall be entitled to only one emergency loan at a time.
c) for an additional loan, a member should not be in arrears in terms of loan repayment of the current loan and or savings contribution.

7. Withdrawal from the Society

While membership in a SACCO is open and voluntary. A member may withdraw his /her membership provided that: -

a) a member has issued a notice of intention to withdraw within a period of sixty days upon his/ her dues shall be determined.
b) no member shall be allowed to withdraw from the society unless his/her loans are fully paid or are likely to be off-set by his/her current savings.
c) a member who withdraws from the society and rejoins later shall be treated as a new member.

8. Loan Application

With an exception of loans provided through mobile phones, all loan applications for both SACCO and matching grant shall be through a prescribed society's loan application forms annex (1a and1b). The following documents must be attached: -

a) a copy of the national identity card or a valid passport of the applicant.
b) copies of the national identity card or valid passports of the Guarantors

c) TIMPs investment plan in the case of an agricultural loan
d) any other document as may be prescribed by the committee from time to time.

The duly completed matching grant loan application form shall be: -

1) delivered to the society's office during working hours (8.00 am – 4.30 pm) where it shall be stamped as received where date of receipt indicated or uploaded in the society portal and receipt confirmed
2) submitted through the CIG/VMG leadership for concurrence before it is forwarded to the SACCO for processing within four working days.
3) attract an application loan form fees of KES 200 and may be revised by the management from time to time

9. Lending requirements for members

The SACCO shall offer credit services to members who have;

a) fully paid up the required registration fee, minimum shares and savings contribution and are saving regularly
b) fully complied with this credit policy and creditworthiness requirements.
c) demonstrated the capacity and ability to repay and good character in history

Note: a member who applies to have two different loans to run consecutively, shall access the same subject to availability of funds, allowable threshold and repayment capacity. In addition, approval and disbursement of loan to members will depend on the financial liquidity of the SACCO at the time of the application.

9.1 Normal SACCO Products

For a member to be eligible for a loan, he/ she must: -

a) have been an active for a period of not less than three (3) months,
b) have paid the minimum share capital as prescribed in the policy or AGM resolutions,
c) be a regular saver as per the policy
d) demonstrate capacity to repay the loan
e) be engaged in legal activities.
f) have been continuing to save while meeting the loan obligations, and
g) have demonstrated a clean loan repayment record for the previous loans.
h) not have more than two different type of loans at the same time subject to availability of funds, allowable threshold and repayment capacity.

9.2 Matching Grant loan products

In addition to the SACCO's conventional loan products, members of CIGs/VMGs are eligible to apply for MG loans through the leadership of CIG/VMG. The SACCO shall;

a. open a MG dedicated account where MG shall be deposited both by the project and as a collection point for loans disbursed under MG
b. open a MG transactional entry sub account for each CIG/VMG members' or for corporate membership
c. maintain the MIS (easyprod) for maintaining all records on loan application, disbursement and repayment
d. submit prescribed reports to the project office
e. develop agricultural loan products in collaboration with the CIG/VMG leadership.
f. develops specific features for each MG loan in regard to purpose, amount, interest rate applicable and repayment period which should not exceed 12 months
g. Sign a prescribed Tripartite Agreement with the Farmer Producer Organization (FPO) and CIG (annex 2)

10. Guarantor-ship

Each and every loan applied for must have sufficient guarantors, and all the guarantors must have been a member of the SACCO for a period of six months.

10.1 Guarantee by other members

a) All loans must be fully guaranteed by other member's deposit/savings.
b) The total deposits/ savings of the borrower and those of the guarantors must be equal to or more than the loan applied for after factoring in the payable interest.
c) Each guarantor shall indicate the amount he/she has guaranteed and append must append his/her signature in the loan application form.
d) The SACCO management committee shall confirm with the guarantors their acceptance of the obligation during loan appraisal.
e) A guarantor can opt out of the guarantor-ship if the loanee finds a suitable replacement acceptable to the management committee, then the amount he/she guaranteed will be calculated, apportioned and retained until the loan is cleared.
f) The society shall maintain record of all guarantors to every loan both online and in the guarantor's register.
g) The obligation of the guarantor shall cease when the loan guaranteed has been fully repaid.

10.2 Self-guarantor-ship

In the event that a member borrows the normal SACCO or the matching grant loan product that is equal to or less than his/her savings, meets monthly savings and repay his/her loans diligently, then the requirements to have guarantors will not apply.

10.3 Online application of self-guarantee loans

a) Members borrowing funds equal to or less their savings may apply online for the loans using the USSD code **250*10#.**
b) On-line approval process will be done based on the set thresholds and the value of guarantor-ship in force.
c) The funds disbursed will be transmitted to the borrower's account using the B2C system.

10.4 Limitation on Guaranteeing by members

a) no member shall guarantee more than three loanees at the same time.
b) no member shall be allowed to withdraw from the society if he/she has guaranteed a loanee/s unless those who have been guaranteed find suitable replacements.

10.5 Other Securities

A member shall;

a) produce payment history especially through organized farmer producer organizations to show the reliability of loan repayment.
b) demonstrate that he/she has other source of income
c) provide additional securities besides the savings provided as security if required by the management committee.
d) whenever a collateral is provided the same shall be filled in the loan form.

11. Loan Appraisal and Approval Procedures

The credit sub-committee shall meet every xx day of the month as need demands **to** evaluate the loans applied for. The sub - committee shall be responsible and in addition ensure the following: -

a) loan application is captured in the designated MIS
b) inquire carefully into the character and the financial condition of each applicant and his/her guarantors
c) determine whether the loan is for a worthy purpose
d) loan form is rightly and completely filled with all necessary attachments
e) loan is adequately secured and guaranteed in accordance with this policy
f) the applicant meets all the requirements for loan granting as set out in this policy and as per the society's by-laws.

The credit sub-committee shall consider loan forms in the order in which they were received (first come first served). If the amounts applied for are approximately the same and the funds available are not enough, preference will be given to loans with shorter periods. Within the foregoing preferences, priority shall be given in the following order: -

a) Members who have never requested for loans
b) New members who have qualified for loans
c) Members who have cleared their first loans and have applied for fresh loans
d) Smaller loans.

In order to verify and appraise the loan satisfactorily, the credit sub-committee may require the applicant to appear before it for any clarification.

All online loans approved by the credit committee subject to final approval by the management committee, will be disbursed using a B2C by the designated officer in the F&A subcommittee.

12. Limitation on loan appraisal, approval and disbursement through MIS

This policy requires that all SACCO loans should be processed through the system and not manually in order to ensure timely tracking of the process and real time reporting. This will also enable the persons responsible to take corrective action in good time.

12.1 Loan Appraisal and approval

All loans shall be appraised and approved through the easy SACCO system. The credit sub - committee will be required to show evidence on loan appraisal report for every loan applicant and recommendations made thereof.

12.2 Disbursement of the loan

Disbursement of loan to the beneficiary shall be done through the Business to Customer (B2C) platform in the Easy Sacco system either through M-pesa, bank account or through the FOSA account (if the SACCOs is licensed by SASRA). Disbursement shall only occur after due approval has been done. Based on the signed Tripartite Agreement, the competitive FPO will offer credit in kind to members and ensure repayment through the check off system. In this arrangement the FPO will receive the funds from the SACCO and not the member.

13. Repayment Period

Loans shall be repaid according to the terms in the loan application form and approved by the management committee. In addition to that

a) a borrower who intends to offset his/her loan before the maturity date, will pay the outstanding balance inclusive of any interest up-to the end of that month.
b) a request for an extension of time to repay, shall be accepted by the management committee only in exceptional circumstances; provided that such extensions shall not result in financial losses to the society.
c) any extension so granted shall be treated as a new loan and an extension agreement shall be executed and signed.
d) extensions shall be once and the period of extension shall not exceed 1/3 of initial repayment period.

14. Loan Repayment

All loans shall be repaid in accordance with the terms approved by the management committee and in this regard, the loan: -

a) shall be due for payment the following month and not later than 5thday of the month.
b) shall be repaid to the SACCO with their respective payments of principal and,

current interest

c) a late repayment will attract a penalty as determined from time to time by the management committee and approved by the general members.

d) all the amounts repaid in respect of either conventional or matching grant loans shall be deposited into the respective bank accounts through the use of C2B.

e) shall not be repaid through cash transactions in the SACCO.

15. Adherence to this policy.

It is the duty of the management committee to adhere to this policy. The management committee members shall be jointly and severally held liable and accountable for abhorring this policy by: -

a) disbursing either conventional or matching grant loans outside the easy SACCO system

b) violating the loaning thresholds outlined in this policy

c) misappropriating member's funds (shares and savings) and all sums of money received including the matching grant funds

d) handling cash transactions in the payment of shares, deposits, entrance fees, loan

e) repaid by using either personal accounts or Mpesa transactions for the SACCO business.

16. Sanctions on the management committee

Where the management committee fails to cause transactions in respect of the matching grant to be carried out as prescribed and non-adherence to this policy, the following sanctions shall apply:

1) disbursements of the matching grant funds for subsequent tranches shall be seized and detained
2) payment from the matching grant funds shall not be approved or authorized.
3) Future applications or proposals from the SACCO for the matching grant funds shall not be reviewed or considered.
4) management committee members shall not apply for any loans from the matching grant funds
5) management committee shall demonstrate sufficient and acceptable evidence that corrective measures are effected and operational.

Note: The supervisory committee shall conduct a rapid assessment, provide a detailed acceptable report covering loan administration, financial transactions as per the set guidelines and procedures to inform of the lifting of the sanctions.

17. Loan Default and Recovery

17.1 Normal or conventional SACCO loan

Loans shall be considered delinquent if repayment is not received by **5th day** of every month. Any loan that is one day unpaid is considered to be late and the management committee shall remind the borrower through a short message service (SMS) on the obligations to repay the loan and the penalty that it may attract. The SMS shall be copied to the guarantors reminding them of their responsibility to ensure the loan they guaranteed is repaid on time. The same shall be repeated if the loan is not paid in the second month. If loan repayment is not done for three consecutive months, the management shall consider the loan is defaulted and shall attach the borrower's savings to recover the loan and if not sufficient will recover the deficit from the guarantor's savings.

17.2 Matching Grant Loans

1. matching grant loans will be considered as performing loans when repaid within the month as agreed or within a maximum of two weeks after sale of the produce
2. arrears status will occur when member fails to pay by the third week of sale of produce
3. default status of agreed amount will be classified after the third week of non-repayment and the guarantor's clause will be invoked

18. Loan Delinquency

Loan delinquency will be considered as follows:

Default Days	Category	Action to be taken
1-30	Delinquent	First reminder letter copied to guarantors
60-90	Watchful	Second demand letter also to be copied to the guarantors
90 -180	Recovery	Attachment of deposit as securities to recover the loan
Over 180	Loss	Consider process of write off subject to AGM approval

Note: Appropriate provisioning of the ageing loan shall be done in the SACCO trial balance and audited accounts thereof.

19. Conditions for Lending to defaulters in order to mitigate loan delinquency.

a) no defaulter shall be eligible for another loan unless he/she has been saving for a period of 6 months consistently.

b) after successful repayment of the defaulted loan, the defaulter can only get a loan equivalent to his/her savings

c) the second loan will be multiplied by 2 times before reaching the normal stipulated multiplier of the savings.

d) for matching grant loans, any defaulted amounts will be deducted from the members' savings when all avenues for recovery have been exhausted

20. Credit Reports

During every management committee meeting, the credit sub-committee shall present reports with emphasis on the following areas: -

a) Number of loans applied
b) Amount of loans applied
c) Number of loans approved
d) Amount of loans approved
e) Loans rejected
f) Loans deferred
g) Delinquency loan status (ageing loan report)
h) Pending loans due to liquidity problems

The management committee shall consider the reports and if satisfied approve the loans for disbursement. The loans approved and disbursed should be entered into the loan register and also through EASYSACCO system. The management committee shall address the causes of liquidity problems in order to regain members' confidence. All application for loans and reports thereon shall be filed as permanent records of the society and can be accessed through the system.

21. Offences under this Policy

It shall be an offence for any applicant, committee members, society employees, book-keeper or any other person to give false information regarding one's shares, savings, loans and guarantees. Any such person shall be liable for prosecution under section 94 of the Co-operative Societies Act or under any other applicable law.

22. Amendment of this Credit Policy

This credit policy may be amended in accordance with the society's by-laws, but no amendment shall be effective without the approval of the general meeting. In the absence of the general meeting and where an immediate remedy is required, the management committee shall have the authority to amend provided the same shall be ratified during the ensuing general meeting.

23. Effective Date of this Loan Policy

This credit policy shall become effective on the date when it shall be passed by the general meeting of the society and signed by the executive officials.

24. Acceptance

We the undersigned finance and administration sub- committee members of Keyian Savings and credit co-operative society limited do hereby accept and adopt this loan policy for and on behalf of the Keyian Savings and credit co-operative society limited with any changes or alterations that have been initiated.

Signed by:-

Chairperson ....Signature.............................

Vice Chairperson..Signature.............................

Treasurer ....Signature.............................

Hon. Secretary ....Signature.............................

This loan policy was presented and approved by the members at a General meeting held on the

--------------- day of----------------- year 20,,,

LOAN NUMBER ……….

LOAN APPLICATION FORM

PERSONAL CHECKLIST	Yes/ No
• Original dully filled loan form	
• Copy of ID/Passport	
• Guarantors: • 1. Name ID No Member No. Amount of guarantor-ship • 2. Name ID No. Member No • 3 Name ID No. Member No	
• 1 passport photos (applicant) – for the first loan.	

Reg. Number Grou **N**

A. **Please complete this form in capitals letters in full and return to the Sacco office.**

1. **APPLICANTS PERSONAL DETAILS3**

Title (tick appropriate box)				
Mr. ☐	Mrs ☐	Ms ☐		
Surname:			Other Name(s):	
Member No.:			Date of Birth:	
ID No.:			County of Residence:	
Sub-County:			Ward:	

Sub-Location:	Location
Mobile No.:	Village
KRA PIN No.	Current Address:
Name of the Assistant Chief	Contact

2. BUSINESS ENTERPRISE

Name of value chain:	Specific activity:
Number of years in operation:	Physical address:
Area under the VC or number of livestock	
Other Monthly Income KES:	Total Monthly Income KES:
Monthly Business Income (Kshs):	
Do you have markets for your products	
Individual	
FPO	Name of FPO
Are your products insured	

3. LOAN TYPE

Loan applied Kshs (amount in figures):	
Amount in words:	
Loan Type:	
Repayment Period (in months / Weeks):	
Weekly/monthly repayment Amount:	
Total repayable amount- in case it is one- off payment	
Purpose of the loan:	
Mode of payment	
Cheque No	
Name as it appears in the National identity card	

MPESA Telephone Number	
Bank details	
Account Name	
Account Number	
Branch	
Signature	

5. RESIDENCE DETAILS

Current Residential Address (please give full details)	
Area:.. Plot No:.. Nearest Primary School... Length of stay at present address:	Nearest Market:...................................... Current Station:....................................... Years..
Previous residence address (if less than 3 years at current residence)	
Permanent address if different from present address	

6. CIG/VMG APPRAISAL

We the executive officials of..group, registration No.................................do hereby certify that, the applicant ....is a member of this group and recommend him/her to receive a loan amount of KES .... applied for and will ensure that the loan is repaid and utilized for the intended purpose of TIMPs adoption in the value chain.

Chairperson: Name............ID No...........Tel. No.............Signature................Date.........

Secretary: Name...............ID No............Tel. No.............Signature...............Date.........

Treasurer: Name...............ID No............Tel. No.............Signature...............Date........

7. DISBURSEMENT MODE

This is to authorize the SACCO to disburse my loan through my bank account as per the details below or Credit into my mobile money line.	
Account Name	
Bank	

Branch	
Account No	
Mobile Money number	
Mobile money Network (service provider)	

8. MEMBERS REPAYMENT GUARANTEE

We, the undersigned acting as guarantors for the loan requested, understand and agree jointly and severally that all loan interests and deposits with SOROMANDAA SACCO Society Ltd. 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 authorized to deduct any balance interest and cost appertaining to the aforementioned loan from the securities hereby pledged. Our particulars are as follows:

Complete this part in capital letters: guarantors' name written in full

Member No.	ID/NO.	Name	Tel. No.	Total shares and savings in KES	Signature

9. MEMBER DECLARATION

I declare that I have **READ, UNDERSTOOD AND COMPLIED** with all the **LENDING REQUIREMENTS** as contained in the loan application form, and that the particulars given are true to the best of my knowledge. I agree to abide by the by-laws of the society, the loan policy and any variations by the management committee in respect to above sections.

Applicant:

Name: ....Member No.....................ID No........................

Telephone No.................................Signature...................Date................................

Witness:

Name..ID No...

Signature..Member No...

Witness:

Name..ID No...

Signature..Member No...

10. FOR OFFICIAL USE ONLY

PART I: LOAN OFFICER'S APPRAISAL

Date (the form was received): ....

Received by: Name ....Position .... Signature.........................

Total applicant's savings (in KES)...... ....

Name of the CIG/ VMG (where the applicant is a member). ....

Ward (in which the CIG/VMG is located) ....

Total savings (for the CIG/ VMG) in KES..

RECOMMENDATIONS:

Recommended / Not Recommended: ....

Reasons for not recommended: ....

PART II: CREDIT SUB-COMMITTEE

We have examined the above application in conjunction with the loan appraisal and decided as follows;

Loan Applied in KES -------------------------Loan approved KES------------------------------------
Recoverable in...Instalments Repayment period..Months
Deferred/Rejected ....

Reasons……

………

………………………………………………………………………………

Credit Committee Meeting Minute No ……………Dated …………..			Loan No--------------
Name			
Signed:	………………………	………………………………	………………………………

Position	Chairperson	Secretary	Member

PART III: **THE MANAGEMENT COMMITTEE MEMBERS' AUTHORIZATION**

We the Management Committee members hereby authorize the disbursement of the loan amounting to KES………………………. through check No………………………………or funds transfer/Mpesa Ref. details ……………………………………………………………………….

Chairman……………………………………sign………………………Date……………………

Treasurer……………………………………sign………………………Date……………………

Secretary……………………………………sign………………………Date……………………

TERMS & CONDITIONS

I understand that the basic rules applicable to this application are as listed and understand the loan will be granted in accordance with the following rules.

1) Members must have contributed for a minimum period of 3 consecutive months.
2) Members are limited to loan amounting that is equal to their savings to a maximum of KES 10,000 with increased amounts as agreed during consequent approvals.
3) A member is expected to have maintained a regular monthly savings of KES.200
4) Outstanding loans must have been cleared before a new loan is granted.
5) Member must be selling his/her produce through the value chain FPO and ready to abide by the Tripartite agreement.
6) He/she must authorize the FPO to do a check off deduction for the loan repayment amount until the loan is defrayed
7) The guarantors must be members of CIG/VMG affiliated to the SACCO and are registered with the society
8) The guarantors should not have acted as MG guarantors for more than three active loans.
9) Guarantors' loan and deposits must be up to date to qualify for loan guarantee.
10) Lump sum contribution for the purpose of securing a loan shall only be considered if such money remains in the Society for at least two months and regular monthly savings continues
11) In case of default (more than three instalments arrears or balance after 3 months) in repayment the entire balance of the loan will immediately become due and payable on demand by the management committee
12) Deposits owned and held by a member and any interest/deposits due to the member will be used to offset against the owed amount.
13) Loan appraisal, approval and disbursement to the beneficiary shall be done through the Easy SACCO system
14) Upon default, the SACCO shall demand from the guarantors the full amount in defaulted for the settlement of the outstanding loan
15) Any collateral offered as security shall be disposed of, at market rate to recover the amount defaulted and any other incurred costs.

16) No member shall withdraw this/her deposits unless all loans are repaid
17) No member shall withdraw his/her deposits unless all loans guaranteed by him/her are cleared
18) A member shall only withdraw membership after giving a notice of the intention and cleared by the management committee in accordance to the SACCO By- laws
19)
20) A member who intends to withdraw his/her membership and is a guarantor to loanee must seek and replace the guarantors for the loans guaranteed as approved by the management committee
21) A member who has been previously guaranteed by a defaulter will neither be eligible for a new loan nor guarantee any new loanee unless he/she provides an acceptable replacement of the defaulter.
22) Keyian SACCO Society Limited shall refer disputed matters if any to the County Cooperative Office and if not resolved the matter shall be escalated to the Cooperative Tribunal as a dispute.
23) In case of default, the default information will be furnished to the County Cooperative Office and to the Commissioner for Cooperative Development.
24) The loan must be utilized towards the targeted value chain promotion activities.
25) Loans may be repaid through an Mpesa PAY BILL or Bank account of the SACCO or through a check-off system by the FPO.
26) Interest will be charged at a rate of 2.5% per month on a flat rate and the maximum repayment period is 12 months or seasonal in accordance of the value chain promoted
27) Loan insurance charged will be 1 percent of the loan granted.

KEYIAN SACCO LIMITED

GROWING TO PROSPERITY TOGETHER

KEYIAN SAVINGS & CREDIT CO-OPARATIVE SOCIETY LIMITED

P.O.BOX 138

Kilgoris

CELL: 254725368089

Member's Passport Photo

PERSONAL CHECKLIST:

MEMBER NO.
LOAN REG NO.

- Duly filled loan application form
- Attach; National ID/Passport size photograph, 1 copy each of 3 guarantor's national IDs

and members KRA Pin.

please complete this form in Block letters. Note that incomplete forms will be returned unconsidered

PERSONAL DETAILS

Name: .... ID No.

Email Address: .... Mobile No:

Marital Status: .... Postal Address:

Postal Code: .... Zone:

.... Nearest Police Institution:

.... Village:

Name of CDDC Member attached to CIG: ...

.... Mobile No:

AMOUNT APPLIED (in figures) KES.

(In words)

LOAN TYPE

☐ Kuk ☐ Maziw ☐ Top- ☐ Nyany ☐ Viaz ☐ Other Loan Products

Repayment period .... Offset existing Loans

(*Specify*) ....

Purpose of the loan ....

MODE OF PAYMENT:

☐ Direct ☐ M- ☐ Others (specify)

SECURITY OFFERED FOR THE LOAN (Attach original document/s where applicable)

☐ Borrower shares / ☐ Guarantor shares / ☐ Others (Specify)

DISBURSEMENT MODE: BANK OR MOBILE TRANSFER

I am authorizing your office to transfer my loan amount to the following Bank/M

-Pesa details (funds will be net of bank charges and loan balances being offset

☐ **M-PESA** ☐ **FIMG Account**

and other incidental costs)

Account

Name .... Bank

Account No. .... Branch

Mobile No. (For M-PESA Only) .... Mobile No.

Farming details

Enterprise / activity name: .... investment / cycle

Product / cycle: .... Months in operation (Specific activity)

REFEREES (One referee must be a relative)

	Referee 1 (Must Be CBF Attached To Cig)	**Referee 2 (Must Be A Relative)**
Full Name		
Relationship		
Tel. (Home/Mobile)		
Email Address		
Signature		

LOANS WITH OTHER FINANCIAL INSTITUTIONS

Name of The Financial Institution	**Principal Amount**	**Instalment Amount (Per Month)**	**Current Balance**

LOAN GUARANTEE (READ CAREFULLY BEFORE SIGNING)

I/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 shares with Keyian Sacco Society Ltd owned by me are hereby pledged as security for the said loan. In case of default in repayment by the lonee, the management is hereby authorized to deduct any balance interest and cost appertaining to the loan from the securities hereby pledged. Our details are as provided below:

complete this part in Block letters: guarantors' name should be written in full. It must be signed by at- least 3 guarantors. The credit committee shall not accept as guarantor, a member who has taken a loan and has already guaranteed 3 loans. No member of the management and supervisory committees shall act as endorser or guarantor for borrowers.

You will find the guarantor form attached.

Please note the amount guaranteed must be indicated. Communication to defaulters and guarantors shall be done as is outlined in the credit policy.

TERMS AND CONDITIONS

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

a) Members are limited to three times (or as may be prescribed) the sum of shares and savings held, but subject to availability of funds.
b) A member is required to maintain a monthly savings contribution as outlined in the credit policy.
c) Outstanding loans **MUST** be cleared / offset before new loan is granted OR the member allows the Sacco to offset the outstanding loans as per the standing policy guiding respective loan products.
d) Members must have contributed for a minimum period of three consecutive months having a minimum share/savings contribution.
e) The guarantors must be members of the Sacco; one can guarantee a maximum of 3 loans.
f) Lump sum contribution exceeding **KES. 20,000** for the purpose of securing a loan can be considered only if such money remains in the Sacco for at least 4 months **OR** subject to a **25%** commission on the lump sum for members in good standing.
g) In case of default in repayment, the entire balance of the loan will immediately become due and payable at the discretion of the management committee. All deposits owned and held by the member; any interest and savings due to the member will be set against the owed amount. The member will also be liable for any costs incurred in the loan recovery process. Any remaining balance will be deducted from the guarantor's savings/shares.

MEMBER DECLARATION

I hereby declare that the foregoing is true to the best of my knowledge and I agree to abide by the by- laws of the Sacco. The credit policy and any variations by the management committee in respect to above sections. I understand that in case of default, the loan securities stated above shall be used to offset the balances owed.

APPLICANT

Name ....Signature

Date:

WITNESS BY:

Name ....Signature

Date:

LOAN REPAYMENT TERMS

Loan Repayment (Principal + Interest)	AMOUNT PER REPAYMENT SCHEDULE				
	Month 1	Month 2	Month 3	Month 4	Month 5

With effect from ....20 ....to ....20......................to be paid to Keyian Society limited and that in the event of my leaving the institution, my savings equivalent to outstanding loan balance be withheld until a letter of clearance is received from Keyian Sacco Society Limited. These instructions shall be terminated or amended only with knowledge and written approval of the Management committee of Keyian Sacco Society Limited.

Member Signature ______________Member Number

VILLAGE ELDERS / PASTOR /CHIEF'S ACKNOWLEDGEMENT

Chief/Pastor/Village Elder's Name: ....Mobile No. Of Village Elder: .... Duration of knowledge to applicant:..Signature of Village Elder: .... Pastor/Assistant chief's Name: ....Pastor/Assistant Chief's Mobile No.

Assistant signature & rubber stamp

SOCIETY'S SECTION

(For official use only)

Received by:

Name ....Designation

Date: ....signature

KEYIAN SAVINGS & CREDIT CO-OPARATIVE SOCIETY LIMITED

P.O.BOX 138

Kilgoris

CELL: 254725368089

LETTER OF GUARANTEE

To: The **Chairman,**

KEYIAN SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD

Applicant/Client's Full Name:

Member No

Date of Birth: ....

WARD/ZONE of present citizenship:

....

Amount Applied: ....in ward:

Loan Period

GUARANTOR DEAILS AS FOLLOWS

I, the undersigned, undertake to be responsible in all respects for the above person while he/she is in Devoutly and, to the best of my ability, to ensure that he/she will conduct himself/herself as befits a CLIENTs of your Business.

Guarantor's Full Name: .... Am

....

Signature: .... Pre

.... **Gu**

.... Phone Number: ....

Occupation (in detail): ....

Relationship to the Applicant:

.... Date: /

/

Month Date (Year)

Kindly Attach a copy of your ID Card.

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