



# PCEA SIMAGURI SACCO

## Muguga Presbytery



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### LOAN APPLICATION FORM

#### 01: Applicant MUST Read the Following Requirements and Instructions Before Completing this Form

- ♦ Application on the official loan form must be completed and signed by the loanee and guarantors in their handwriting..
- ♦ Loans are granted according to the loan policy and lending conditions in effect at the time of application.
- ♦ For a member to be eligible for a loan, they must have saved for a minimum of six months.
- ♦ Any amount of money a member deposits to boost savings shall wait for three months before that amount is used to secure a loan.
- ♦ Guarantors must be members of PCEA Simaguri Sacco Society.
- ♦ The interest rates shall be determined by the Board of Directors from time to time.
- ♦ The amount applied for shall be fully covered by the loanees plus guarantors shares
- ♦ Minimum monthly savings for those with loans shall be Ksh. 500/-.
- ♦ A dormant member shall not be considered for any loan or to guarantee a loan.
- ♦ A member with outstanding loan can apply for an emergency loan subject to their savings and repayment record.
- ♦ Any alteration on the loan form may cause disqualification.

#### 02: To be Completed by Loan Applicant

I ..... M/No ..... Residence of .....

ID No ..... Mobile No ..... Physical Address .....

Source of Income ..... Current Monthly Income ..... Marital Status .....

Wish to apply for a loan of Ksh (amount in figures) ..... (in words) .....

The loan will be guaranteed from

- a. My savings amounting to Ksh ..... and
- b. My guarantor's savings of Ksh .....

The purpose of the loan is ..... (Farming/business/school fees/hospital bill/land buying).

Loan Due in Kshs..... Next of Kin.....Relationship.....contact.....

#### 03: Personal Commitments By Loan Applicant (Undertaking)

- a. I pledge to repay my loan in ..... monthly instalments of Kshs. .... until the loan is fully paid in the month of ...../..... year ..... without default.
- b. I pledge to continue remitting my monthly savings of Ksh .....
- c. I have the option to repay the loan in full or in part before the maturity date, on any day, using Simaguri Sacco Coop Account No. 01109560047600.
- d. If the monthly installments and interest on my loan are not paid on time, a penalty of 2% will be charged on the outstanding amount (*principal, accrued interest, and penalties*) until the account is brought up to date.
- e. Defaulting a loan will risk my guarantors savings which will be debited to clear any unpaid loan.
- f. I hereby agree to abide by the by Sacco By-laws and AGM resolutions.

Loanee's Name and Signature ..... Date .....

Witness's Name and Signature ..... Date .....

**05: For Official Use Only**

**a. Form received by:**

Name..... Designation: .....

Signature ..... Date .....

.....

**b. Credit Committee recommendation:**

**Loan approved**       **Loan rejected**  (*tick appropriately*)

If rejected, Credit committee should indicate clearly the reason for the rejection and communicate it to the applicant.

The loan application can be rejected for the following reasons among others: a.

Record of previous loan default

b. Inconsistence in remitting monthly savings

c. Inadequate guarantorship

d. Incomplete details in the loan form

**c. Credit Committee Approval**

**Chairperson**

Name..... Signature.....

**Secretary**

Name..... Signature.....

**Member**

Name..... Signature.....

Credit Committee Minute number ..... Meeting date .....

.....

**d. Executive approval:**

**Loan approved**       **Loan rejected**  (*tick appropriately*)

If rejected, the executive office should indicate clearly the reason for the rejection and communicate it to the credit committee.

**Board Chairperson**

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

**Board Secretary**

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

**Board Treasurer**

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