

**UMWALIMU SAVING AND CREDIT COOPERATIVE**

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**SALARY ADVANCE LOAN APPLICATION FORM AND LOAN AGREEMENT****PART A: LOAN REF. NO.....**

MEMBER IDENTIFICATION	
Names	
Account No	
ID/Passport No	
Place of issue of ID	
Telephone No	
E-mail address	
Date and Place of Birth	
Father's Names	
Mother's Names	
Marital Status	
Spouse's Names	
WORKING PLACE	
Name of School/Institution	
Village	
Cell	
Sector	
District	
Province	
HOME ADDRESS	
Village	
Cell	



Sector	
District	
Province	
<b>DEMAND DETAILS</b>	
Requested Amount	
Purpose/Motif	
Loan Duration	
Date of demand	
Signature	

#### **PART B: CONDITIONS FOR LOAN**

1. Applicant/Borrower's application letter signed by applicant/borrower;
2. Loan application form must be fully completed;
3. A copy of the identity card/passport of applicant and spouse for those who are married and guarantors, in case it loss provide temporary personal ID card from Sector level having three months of validity, for foreigners provide updated copy of ID required for foreigners and updated working visa;
4. Cash collateral (Permanent saving for at least one month;
5. Share capital of Rwf 40 000;
6. Salary passing on the member's account with UMWALIMU SACCO at least one month;
7. The payment period for salary advance is **24 to 36** and **60** months to those with guarantee, on **13%** per annum declining interest for public teachers, and **14%** per annum declining interest for non- public teachers and other members ;
8. Salary advance loan paid in **37 to 60** months requires physical collateral security and the applicant must provide a copy of long-term lease certificate and photos of collateral security;
9. Salary certificate and employer engagement signed by applicant/borrower and employer;
10. Salary certificate signed by employer;
11. Recommendation letters from school headmaster for the applicant/borrower;
12. Final appointment letter for nursery, primary and secondary public teachers members;
13. Job contract for non- nursery, primary and secondary public teachers members;
14. Guarantors from nursery, primary and secondary public/private teachers to bring guarantors testimonial signed by school headmaster ;
15. Guarantors from non- nursery, primary and secondary public/private teachers to bring service certificate from their employer;
16. For members that completed probation period and do not have final appointment letter they will bring service certificate from the sector/district level indicating if they are a permanent staff of District and diploma they have with reference to the employee's file;
17. Applicant/Borrower to bring service certificate from the school/sector/district level indicating if they are a permanent staff of District and diploma they have with reference to the employee's file;

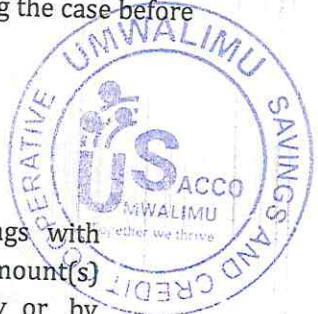
18. For members that brings salary certificate, service certificate and salary certificate and employer engagement signed by School Head Master or Sector officials must bring the letter from district level authorizing the School or the sector level to provide the documents requested by teachers;
19. Guarantors must be 2 UMWALIMU SACCO active members and spouse for married, and 3 UMWALIMU SACCO active members for single; for foreigners' members 3 guarantors are required and all should be Rwandese;
20. No need for guarantors to salary advance loan paid in **37 to 60** months;
21. Marital status certificate;
22. In the event of failure to service loans, UMWALIMU SACCO shall have a right of lien on the members savings;
23. In case the applicant/borrower does not comply with the repayment schedule he/she will be subject to a penalty of 4% per month from the first day on the delay applied to the Installments in arrears and this can be changed by the Board of Directors;
24. All costs and fees resulting from this contract and any expenses incurred by UMWALIMU SACCO due to the implementation of the recovery of this credit are charged to the applicant/borrower and will be reimbursed by the applicant/borrower for the first request;
25. Applicant/Borrower gives authority for any loan balances at job cession to be deducted from terminal benefits;
26. Amount approved may vary from amount applied subject to qualification after appraisal;
27. No applicant shall be allowed to suffer deductions in excess of 50% of their net salary after all deduction for those without previous loan, or 50% of remaining amount after deduction and loans payment;
28. On disbursement: 0.2% of the amount approved (or 2,000 Frw as minimum ) is charged from amount disbursed as file fees + VAT(18% of file fees); 1.5% of amount approved is charged as loan commission fees + VAT(18% of file fees) and 2% of loan protection fees for those approved a loan  $\leq 500,000$  Frw above this amount it requires life insurance for single and joint life insurance for loan protection for married from insurance company;
29. Any salary advance above Three Million Five Hundred Thousand Rwandan Francs, must be covered by physical collateral guaranty, and it must be registered by RDB;
30. All salary advance loans paid in 24 to 36 months must be processed and disbursed in one working day after completion of all requirement;
31. The loan will be disbursed on agreed interest rate of 13% per annum, which can change due to the changes on the market, or due to the Central Bank instructions (BNR). It can also change in case the borrower changes from public school teaching to private. The General Delegates Assembly of UMWALIMU SACCO may at any time change the interest rate in accordance with the prevailing economic conditions and these changes will be communicated to the borrower.
32. During the month the loan is disbursed, the applicant/borrower will pay the interests of the remaining days to end the month. It can also be paid in advance by the consent of the two parties that make up this agreement, the early repayment will be comprises of the outstanding capital plus day interests;
33. The applicant/borrower gives authorization to UMWALIMU SACCO to debit her/his accounts where they are, the amount fixed on each due date. In addition, for the late maturity, the applicant/borrower allows all financial institutions to deliver to UMWALIMU SACCO, at the first request, the amount that they should have for him/her, including deposit,

with or without term formality. The presentation of this contract equals to order given the applicant/borrower in favor of UMWALIMU SACCO;

34. All disputes relating to the undertakings covered by this contract will be resolved by the consent of the parties; If one of the parties deems it necessary; it may bring the case before the competent Court;
35. This agreement is valid immediately from the date of disbursement.

#### **PART C: COLLATERAL GUARANTORS DETAILS (If applicable)**

We pledge our saving and deposits with UMWALIMU SACCO and any earnings with our current and future employer(s). We further understand that the defaulted amount(s) may be recovered by an offset against our saving and deposits in the Society or by the attachment of our salaries or properties and that we shall not be eligible for loans unless the amount in default is equal to shares owned by the defaulter.



S/No	NAME	ID/No	Account	Tel	Amount Guaranteed	Signature
1						
2						
3						

#### **PART D: DECLARATION LOAN APPLICANT/BORROWER**

I.....of ID No ..... hereby declare that the particulars given in this application form are true to the best of my knowledge. In connection with this application and/or maintaining a credit facility with UMWALIMU SACCO, I authorize UMWALIMU SACCO to carry out the 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 TransUnion Africa for listing. I acknowledge that this information may be used by banking institutions and other credit grantors in assessing applications for credit by me and by my spouse, associated companies, and supplementary account holders and for occasional debt tracing and fraud prevention purposes.

Signature of debtor.....Date.....

Spouse of debtor .....Date.....Signature.....

#### **PART E: FOR OFFICIAL USE ONLY**

I wish to confirm that the information given by the guarantors is correct to the best of

my ability as far as it can be verified from the available records and or telephone conversation with the guarantors.

Name Credit Officer:.....Signature.....Date.....

Comments ( If any ) .....



#### Appraisal by Credit Committee

This member qualifies for Frw.....recoverable in ..... months at Frw ..... Per month, on .....% interest per annum (declining). The payment will start on ..... and will close on .....

Comments(If any).....

Date .....

Names	Position	Signature

#### The signatures after accepting the loan approved before loan disbursement

Name and Signature of the applicant/borrower:

Date:

Name and Signature of the spouse:

Date: