



# KARUSCO SACCO SOCIETY LTD.

Po Box 1957 -10101 Karatina,

**Email:** [karusco@karu.ac.ke](mailto:karusco@karu.ac.ke)

**Tel** +254 714 038 583

## LOAN APPLICATION FORM

### Requirements

- Two latest **certified** original pay slips (by employer)
- Copy of your National I/D Card or Passport
- Copy of letter of Contract/temporary appointment for those on contract /temporary appointment

*(Deadline for submission of application is 5<sup>th</sup> of every month)*

### A. APPLICANT'S PERSONAL DETAILS

Full name .....

Identity Card No..... Mobile No.....

Sacco Account Member No.....Payroll No .....

KRA PIN.....

### B. EMPLOYMENT DETAILS

Employer .....

Nature of Employment: Permanent ☐ Contract ☐ Temporary ☐

If Contact/Temporary for what period: From.....to.....

### C. PHYSICAL ADDRESS

Estate .....House No..... Road/Street .....

Next of kin ..... Relationship .....

### D. TYPE LOAN REQUESTED FOR *(tick as appropriate)*

- ☐ Development Loan (Normal Loan)
- ☐ School fees
- ☐ Emergency (Provide documentary evidence)
- ☐ Top Up (Top up should be a total of new loan and loan balance)

### Loan purpose: *(tick as appropriate)*

Agriculture ☐ Trade ☐ Education ☐ Human Health ☐

Land and Housing ☐ Consumption and Social Services ☐

**1. Amount of loan applied in figures Kshs** .....

**Amount in words**

.....

.....

Loan period (*Proposed*) .....months (*The Sacco has the right to adjust the period wherein deemed appropriate*)

**NOTE:** Monthly instalment will be calculated by the Sacco based on repayment and applicable interest period.

**2. (i) Present Salary: -**

- a) Basic Pay Kshs.....
- b) Gross Pay Kshs.....
- c) Less Deductions Kshs.....
- d) Net Pay Kshs.....
- e) One third of basic.....
- f) Available to service loan (d- e) .....

**E. POSITION IN THE SOCIETY:**

- ☐ Member
- ☐ Committee Member
- ☐ Employee

**F. RULES APPLICABLE TO THIS APPLICATION**

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

- 1) The loan balance owed to the society at any time will not exceed three times the members deposits
- 2) The member should have contributed the minimum share capital as set out in the SACCO Bylaws to qualify for a loan.
- 3) A member must have completed at least six calendar months since joining the Sacco
- 4) The member must be active for the last six consecutive months prior to loan application.
- 5) Where a second loan is to be given, the first loan must be regularly paid and is in good standing.
- 6) Where a member wants to apply for a top up loan, he must have repaid the first loan for at least six months, a refinancing fee of 1% shall be charged on the outstanding loan balance.
- 7) No member shall be allowed a loan of which total deductions will leave him with a net salary that is less than one third of the basic pay. Where total deductions exceed two thirds of a member's basic salary, the loan shall be reduced accordingly
- 8) The maximum repayment period will be as follows: -
  - Development Loan .....48 months
  - Emergency Loans ...12 months
  - School fees loan ..... 12 months
- 9) The loan must be guaranteed by at least three members and the deposits of the guarantors plus that of the member must be equal to or more than the loan applied for.
- 10) No member may withdraw his/her deposits unless all loans are repaid and all loans guaranteed by him/her are cleared.
- 11) No member shall guarantee more than three loanees at any one given time.
- 12) Guarantor's loan and deposit account must be up to date to be eligible.
- 13) In case of default, the unpaid instalment (s) attracts a penalty of 10% per month
- 14) No Member will be allowed to withdraw part of his / her deposits or offset part of the deposits against an outstanding loan unless he/she ceases to be a member.

- 15) A Member's deposits pledged as security for another member's loan shall not be surrendered to offset his / her own outstanding loan, unless the latter can provide an alternative security for the for member.
- 16) Spouses and family members who may be members shall not act as guarantors to one another but shall obtain guarantors from other members in common bond.
- 17) A member applying for a loan should comply to the minimum deposit contribution as per the credit policy.
- 18) Processing fee of Kshs. 200.00 shall be charged on the loan applied.**
- 19) For a member to qualify for a set-off or cash settlement of a previously applied loan, a period of 30 days (one month) must have lapsed between the application date and the settlement or set-off date.

**G. REPAYMENT GUARANTEE**

We the undersigned acting as guarantors for the requested loan on page **D (1)** of this Agreement understand and agree jointly and respectively, that all Shares commission/dividends and deposits with KARUSCO Co-operative Savings and Credit Society Ltd owned by us are hereby pledged as Security for the said Loan or such part of it as may be granted inclusive of accrued charges. In the case of default in repayment by the loanee, the society is hereby authorized to deduct any balance charges and costs appertaining to the aforementioned loan from the securities hereby pledged or to cause deductions to be made from our salaries in respect of such default. The liability of the loanee and guarantors is personal and shall extend beyond the deposits held by each of us in the Sacco in case of default.

We further understand that we shall not be eligible for loans at the time the repayment of the loan is in default.

**NB: Minimum number of guarantors is three and to indicate amount guaranteed in words.**

No	PF No	Name	ID No	Contact	Dep osit bala nce	Outst andin g Loans	Guarantees	Sign
1.								
	No. 1: Guaranteed amount in words:							
2.								
	No. 2: Guaranteed amount in words:							
3.								
	No. 3: Guaranteed amount in words:							
4.								
	No. 4: Guaranteed amount in words:							
5.								
	No. 5: Guaranteed amount in words:							
6.								
	No. 6: Guaranteed amount in words:							
7.								
	No. 7: Guaranteed amount in words:							
<b>TOTAL AMOUNT GUARANTEED</b>					<b>KSH.</b>			

**H. DECLARATION BY THE BORROWER**

I hereby declare that the foregoing particulars are true to the best of my knowledge and the details of the guarantor (s) (listed above) were provided by the guarantors themselves. I agree to abide by the by laws of the society, the loan policy and any variations made by the management committee in respect this application. I undertake to fully repay the loan applied for with interest thereon on the due dates agreed upon with the society. I hereby authorize the employer to deduct from my salary the amount of loan granted plus 1% interest monthly on the reducing balance according to the repayment terms under which this loan is granted. Should I leave the services before completion of repayment, I hereby authorize the society to deduct from my account the deposits and any terminal benefits or other funds pledged as securities for the loan without any hindrance from me or anyone else to recover any amount of the loan that I will have failed to pay.

**Yours faithfully**

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

**I.CONSENT TO CREDIT REFERENCE BUREAU LISTING.**

I.....  
.....ID.....confirm  
that I have authorized Karusco Sacco to share my credit information, and to access  
my Credit Profile from Credit Reference Bureau.

**Signature..... Date...../...../.....**

**J. CONFIRMATION BY THE EMPLOYER (*if not an employee of Karatina university*)**

The applicant is employed by .....of (Address)  
..... and subject to the authority given above by  
the said employee, I will deduct from his/her benefits all loan balances due as advised by  
KARUSCO Co-operative Savings and Credit Society Ltd, from the employee's terminal  
benefits.

Signed on behalf of employer,

Name.....

Designation..... Date.....

Signature..... Rubberstamp .....

---

**K. FOR OFFICIAL USE ONLY**

- 1) Amount of loan applied **Kshs. ....**
- Security:** a) Self / Own Deposits Kshs. ....
- Additional:**
- b) Guarantors Kshs. ....
- c) Other Kshs. ....
- Total Kshs \_\_\_\_\_**
- 2) Amount available to service the loan (2, (i)d) .....
- 3) Outstanding liabilities Loans:
- i. Development Loan .....
- ii. Emergency Loans .....
- iii. School fees loan.....
- iv. Salary Advance Loan.....
- Total.....**
- 4) Amount Recommended/ Not Recommended
- (1) Amount recommended **Kshs.**..... (Amount in words).....
- ..... Repayable in ..... Months, with instalments of Ksh..... per month.
- (2) In case application of amount applied is **not recommended**; due to the following reasons.....
- .....
- Account Clerk's Signature .....Date.....**
- Treasurers Signature .....Date.....**

**L. CREDIT COMMITTEE EVALUATION (for appraisals before a meeting only)**

- 1) Amount recommended Kshs.....  
(Amount in words)  
.....  
.....  
... repayable in ..... Months, with instalments of Kshs ..... per month.
- 2) In case application is **rejected / differed/ reduced** due to; the following reasons  
.....  
.....

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

**M. CREDIT COMMITTEE (during a meeting)**

We have today examined the above application in conjunction with the above remarks and decided as follows:

- 1) Loan Approved Kshs.....  
In words.....  
Recoverable in .....instalments at Kshs..... ..per month
- 2) **Deferred/Rejected** for the following reasons:
- (i) Incomplete information or lack of supporting document. ☐
  - (ii) Inability to repay or bad repayment history ☐
  - (iii) Inadequate and/or unacceptable security ☐
  - (iv) Inadequate funds for disbursement ☐
  - (v) Illegibility of member's borrowing capability ☐

**SIGNED MINUTE NO** .....

**O. DISBURSEMENT**

Cheque No. .... Loan Amount **Kshs**.....Processing fee **Kshs**.....  
Cheque Amount Disbursed **Kshs**.....

Date issued .....

**Name:** ..... **Signature** .....