

LOAN TYPE	MAXIMUM PERIOD	%INTEREST P.A.	GRACE PERIOD	REQUIREMENTS
Normal loan	48	12	1 month	Filling loan application form.
Emergency loan	12	12	None	Filling loan application form attached with letter of urgency.
Refinancing loan	Remaining normal loan period	12	None	Filling loan application form.
Rudi tena loan	48	12	None	Filling loan application form.
Rudi nyumbani loan	48	12	None	Filling loan application form plus bank statement showing loan balance with bank.
Normal plus loan	60	13	1 month	Filling loan application form.
Rudi tena plus loan	60	13	None	Filling loan application form.
Refinancing plus loan	Remaining normal plus loan period	13	None	Filling loan application form.
Institutional loan.	36	13	None	Filling loan application form.
Deposit Boost Loan	48	12	None	No guarantors needed
Mobile Loan (NTS)	1mth	6% p.m.	None	Applied through the members phone

- Maximum repayment period 3mths. Monthly interest is 6%

***All loans except for Normal plus and Rudi tena plus must be equal to 4 (four) times your deposits and repayment period of 48 months maximum.**

***Rudi tena plus and Normal plus loans are equal to 5 (five) times your deposits and repayment period of up to 60 months.**

AREAS TO BE EMPHASIZED.

- 1. LOAN ARREARS** –A loan must be paid as per the agreement with the Sacco. It's a contractual obligation that has to be met by the loanee by paying instalments monthly per the repayment Schedule. Any months skipped amounts to arrears. Arrears affect earnings of interest on deposits since money that never came to the Sacco cannot earn.

NB: A deceased member with loan arrears/Default the insurance cannot pay. The amounts in default have to be recovered from the members savings.

2. **SASRA REGULATIONS ON LOAN ARREARS-** According to the new regulations the Sacco has to provide for non-performing loans as below meaning defaulted money will affect the overall performance of the Societies earnings.

RISK CLASSIFICATION

- Performing Loans- Paid up to date
- Watch- 1-30 Days 1 instalment unpaid
- Substandard- 31-180 days i.e., 2-6mths unpaid
- Doubtful- 181-360 Days 7-12mths unpaid
- Loss-over 360 days i.e., 13mths and above
- Report to be submitted to Sasra

2. **NOMINEE FORM (Next of Kin)-** Every member should ensure they fill this important form to nominate the next of Kin. A Next of Kin is the person who can take your savings in case of death. It's advisable to have more than one nominee. Members are advised to request to know their nominee status through email.

3. **DORMANT ACCOUNTS-** Once a member does not contribute savings for a period of over three months the account becomes dormant meaning in case you want a loan that account should be reactivated for a period of six months for one to qualify for a loan. Members should ensure their accounts do not become dormant.

NB: The new SASRA Regulations says that upon non remittance of 12 months and above Sacco should maintain a separate account for such accounts.

-Such amounts shall be deemed to be unclaimed in accordance with the Unclaimed financial Assets Act.

We urge all dormant members to activate their accounts

4. **GUARANTORS-**Guaranteeing a member means that your savings can be attached in case the member defaults. In view of this members should ensure that they sign for people whom you know their character. There have been cases of members forging signatures. To curb this the Sacco plans to introduce specimen signatures for all members. We however caution members to be honest since forging somebody else signature is a criminal offense. Also note that when withdrawing from the Sacco one has to clear with the ones you have guaranteed as your savings are tied by those guaranteed. One cannot remove a guarantor from a loan a guarantor can only be replaced by another member.

5. **INTEREST ON DEPOSITS-** concerning interest on deposits the following should be noted.

- Non-payment of loan affects a member's earning of interest on deposits because of the loan arrears.
- Arrears is money due from the member yet not received in the Sacco. This means it was meant to have participated in business but didn't therefore affecting the earnings and income that is eventually distributed to the members in form of interest on deposits at the end of the financial year.
- A positive balance is what earns. When loan is in arrears in relation to your savings it creates a negative balance.
- For a member who has no loan he or she is not affected since his savings remain positive even though he may not have contributed monthly.

- All members with positive balances earn meaning no loan money due from the member was not received.
- The issue of earnings is an individual matter since a member’s account performance is different from others depending on whether all money expected was received accordingly.

6. **SHARE CAPITAL-** Share Capital is a fixed amount that each member who joins Sacco must have. Its non-refundable but transferable in case a member leaves Sacco. It earns dividend annually that is ploughed back and always reflected in the members statement for Currently the share capital per member is Kshs 15,000. This is in line with the government regulations through SASRA requiring Saccos to have the required Core Capital. Every member is supposed to have updated by now to be member.

7. **INSURANCE ON LOANS-** Insurance is charged on all loans to cover against death. In case of death members deposits will not be affected. NB: Insurance does not pay defaulted money or money in arrears. The loan must have been paid up to date with no months in arrears otherwise the arrears/defaulted money will be recovered from savings.

8. **MOBILE LOANS-** The repayment period will be a minimum of 1 month and a maximum of 3 months at the rate of 6% per month

Any Member with Dormancy, default and with no minimum share capital of kshs 15,000 status can’t qualify.

One must be a member of the Sacco for a period of 6 months with fully paid share capital and registration to qualify

A member must have some savings in order to qualify for the loan

One month after default the total amount of loan plus interest will be recovered from one’s deposits after the necessary notifications are sent. The member will then be disqualified for one (1) month’s from taking the short loans.

In case of a second default the member will be disqualified for one (1) year from taking the short loans.

A third default will disqualify the member completely.

LOAN ELIGIBILITY- Amount eligible depends on members savings.

Savings/Deposit	Maximum limit
1,000-10,000	2,000
10,001 – 25,000	5,000
25,001 – 50,000	10,000
50,001 – 100,000	15,000
100,001 – 250,000	20,000

250,001 – 500,000	30,000
500,001 – 1,000,000	40,000
1,000,001 and above	50,000

NB. If your loan eligibility is ksh20,000, your first loan can't be the same amount, you begin by borrowing from ksh.500 or 1,000 and depending on how well you pay the limit increases gradually until when you will be able to reach your maximum limit

APPLICATION PROCESS

A. Request for loan

Under this option is where you apply for the amount you wish to borrow depending with your savings and eligibility

a) Repay Loan

To be able to pay your loan, first transfer the money from your Mpesa to FOSA account using paybill number 922200 and then dial *477# and select option 3-loans and then Repay loan. Indicate the amount you wish to pay and key your Pin then select OK

9. **COMMUNICATION**- We have a mobile platform where members can log in and access their Sacco account status by dialling *477#

Registration

Contact the office and avail the following details for Registration.

- i. Full names as per the Identity Card
- ii. Email Address
- iii. Mobile number (Safaricom)
- iv. Identity Card Number

Once the detail is availed, they are keyed in the system and the system will auto-verify and send a text message to the member automatically prompting the member to change password and you become fully registered under mobile loan services.

2. Accessing Services

Once's you are fully registered, dial *477# you access the following services:

- i. Mini Statement

Under this option, a member will be able to get a summarized statement of his/her accounts

- ii. My Balances

In this option, A member will be able to view H/her Loan and savings balances.

- iii. More Services

This will prompt a member to change his/her Pin if S/he so wishes

- iv. FOSA to MPESA

When a member borrows loan through mobile loan, the money is credited in your FOSA account and not M-pesa thus, after your loan is approved you need to transfer your money from FOSA to your M-pesa through this option by simply selecting the option and keying in your Pin

- v. Airtime Purchase

For a member to be able to Purchase Airtime under option two, one should be having some money in his/her FOSA account.

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Under this option, a member will be able to get a summarized statement of his/her accounts

- ii. My Balances

In this option, A member will be able to view H/her Loan and savings balances.

- iii. More Services

This will prompt a member to change his/her Pin if She/he so wishes

10. SOCIAL PLATFORMS- We have active social media platforms i.e., Telegram, Facebook and website. Members can get most of the Sacco information and updates there. We urge members to join out Telegram group and also Like our Face book page.

Sacco Earnings

1. The earnings per share in the year 2021 was 24.4%
2. The interest on deposits was paid at 9.9 % Pro-rata in 2021.

F.A.Q.s

1. Can we have a Sacco information booklet? *Yes, in brochures and we also have a website www.pceasaccoltd*
2. How can one/group join the Sacco? *Yes, many have enrolled and benefited from us details in the brochure*
3. What happens after one retires? *Advisable to continue with the Sacco with guarantors one can get loan*
4. How is the penalty charged and at what time? *After 15th of the following month 5% compound interest*
5. Can one use any other collateral other than guarantors? *At the moment not*
6. How is the Sacco management board elected and who qualifies? *Refer to the By Laws (15.2 ELIGIBILITY FOR MEMBERSHIP TO THE BOARD OF DIRECTORS)*
7. How can we access the by-laws? *Available on the website*
8. Why should an individual be punished and not get a loan because the presbytery or institution is not paying? *It's a legal requirement for all employers to submit deductions and it's a personal responsibility to follow up. When applying for a loan all requirements must be met per the policy including the members account being up to date.*
9. What do I do if I guarantee a person and she/he leave the country for abroad and defaults in payment? *Guaranteeing means you are liable in case of default so your deposits will be deducted therefore guarantee people whom you trust can pay even if they are far.*
10. What happens if a member dies and has a loan with the Sacco? *Sacco has an insurance it will pay provided the loan had no default and the next of kin will apply to withdraw the savings.*
11. Can one guarantee others if he/She has a loan with the Sacco? *Yes, up to a maximum of 4 people*
12. Pole Mshirika- One is deducted Kshs 300 per annum. *In case of death of principal member, the family is paid Kshs 50,000.00 and for loss of a nuclear family member is paid Kshs 25,000.00.*
14. Registering defaulters with CRB – **Currently in force**
16. If one clears loan is interest for the remaining period charged? *No interest is on reducing balance meaning once loan balance is cleared no further interest is charged.*
19. Loan Insurance is it charged on refinancing and Rudi Tena Loans- *Yes, its charged on all loans*
20. Withholding tax- *Its charged on Interest on deposits at 5%*

The By – laws

Members are advised to check our by-laws in our website and familiarize with the same. This is a very important document that enables every member to know his/her right.