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TWAKIRI SACCO FINANCIAL POLICY

1. Introduction.

This Financial Policy provides a framework under which Twakiri Sacco will conduct its Financial operations including Credit (Loaning Policy), Deposits taking and Shares' generation. It is guided by Co-operatives Societies Acts Cap 490, Laws of Kenya; Sacco Society Act 2008. The Society's By- laws.

This shall be read together with the Twakiri By-Laws and other documents published/circulated by the Management Committee and approved by a General Meeting from time to time.

Twakiri Sacco financial policy objectives:

a. Cultivating a well-rounded long-term relationship with members and embrace diversity that is of benefit to all parties.

b. Enhancing and protecting the members' funds and investments.

c. Promoting and upholding the ethos of Twakiri Sacco to ensure that it remains highly ethical, innovative and profitable Sacco.

2. Membership Category, Joining Fee and Minimum Monthly Deposit.

Twakiri Sacco has **Six (6)** types of membership categories shown below. A member to be allocated a membership number has to have completed paying the joining fee. The minimum joining shares may be paid for within four (4) months.

Table- 1

Member Category	Joining Fee- Ksh	Minimum Joining Shares @ 20/= Each	Minimum Monthly Deposit Kshs.	No of Times a member can borrow against deposit
Individual-Category A-1	2,000	50	2,000	3x Times
Individual-Category A-2	5,000	500	3,000	3. 25x Times
Individual-Category B-1	10,000	1,000	5,000	3.5x Times
Individual-Category B-2	10,000	1,000	10,000	3.75 x Times
Corporate- Category C-1	10,000	1,500	20,000	4x Times
Corporate- Category C-2	10,000	2,000	30,000	4.5 Times

Notes:

a. A member may pay for **minimum joining shares** within 4 months.

b. **Ten (10%)** percent of **minimum monthly deposit** go towards individual shares.

c. A member will qualify to **upgrade to the next category** upon **application** and **topping-up the joining fee**. The member must also be consistent in paying deposits and shares for a minimum of 6 months.

3. Loan eligibility.

A member joining **Twakiri Sacco will** qualify to take a loan after fulfilling the following: -

3.1 Individual member

An individual member (Categories A-1, A-2, B-1 & B-2) will qualify for a loan after fulfilling the following: -

a) Has been a member of Twakiri Sacco for **four (4) months.**

b) Has paid a non-refundable and non-transferable membership **joining fee. (**Serial 2 Table -1)

c) Has fully paid the **minimum shares deposit** described in serial 2 Table-1.

d) Has been making consistent monthly **minimum deposits** in serial 2 Table- 1.

e) Must **not** have defaulted to pay the Sacco society's mandatory monthly contributions and/or loan repayment for the **past three (3)** consecutive months or skipped 3 times in the past one (1) year prior to the loan application.

f) Has **adequate deposits to secure** the loan either individually or guaranteed by another member.

g) Has filled the required loan application forms provided by the Sacco and has signed irrevocable surrender documents to secure the loan.

h) Has paid loan processing fee prescribed in *Serial-10 Table-4.*

i) Has **paid for the loan insurance. This insurance** covers the loan taken, in the **event of death or permanent disability of the member.**

3.2 Corporate or Group.

A corporate member (Category C-1 & C2) will qualify to take a loan after fulfilling the following: -

a) Has been a member of the society for a minimum of **Three (3) months**.

b) Has paid a non-refundable and non-transferable membership joining fee in serial 2-Table-1 above.

c) Has fully paid the minimum deposit in serial 2- Table-1 above.

d) Has been making consistent monthly minimum deposits for 3 months in Serial 2 Table-1.

e) Must **not** have defaulted in the Sacco society's **mandatory monthly deposits** and/or **loan repayment** for the **past three (3) consecutive months** prior to the loan application.

f) Has adequate deposits to secure the loan either individually or guaranteed by another member.

g) Has filled the required loan application forms provided by the Sacco and has signed irrevocable surrender documents to secure the loan.

h) Has produced the **necessary approval documents/ resolutions** from the Corporate or Group allowing them to borrow from the Sacco.

i) Has paid the processing fee described in Serial 10 Table-4.

j) Has paid for loan insurance.

Notes: (for Serials 3.1 and 3.2)

I. Loan applications shall be considered in the order in which they are received and preference shall be on a first come first served basis. Loans may be dispensed in tranches depending on availability of funds.

II. Any loan that is overdue for re-payment with more than three (3) months will trigger recovery process from the borrower and the guarantor. This process will have commenced after two (2) months where the borrower and the guarantor will have been notified by the manager/ credit committee accordingly.

III. Bulk deposits aimed at securing a higher loan, made under less than four (4) months, for individuals and three (3) months for corporates and groups **shall not** be considered when taking a loan.

IV. Lending limits are as shown in the **loan products** Serial 9 Table-3.

V. A member with un-performing loan or not paying mandatory deposits or shares agreed shall not qualify for a loan.

4. Monthly Deposits.

a. A member is required to pay a monthly mandatory minimum deposit shown in serial 1 Table-1 above according to category chosen. **Ten (10%) percentage** against each amount will go towards individual shares. If a member contributes, more than the minimum amount prescribed, the member is required to indicate the amount to be allocated towards shares or deposits to the Sacco. The member is also required to indicate whether the whole amount is for that month or is an advance payment. If this is not communicated, the entire amount will be credited to the month it has been paid.

b. A member with a valid reason, and in writing, to the Management Committee may apply to deposit less than the mandatory amount for **a specific period** subject to approval by the Management Committee. This will be reviewed from time to time.

c. A member, however, even after approval for minimum remittance does not do so **continuously for 3 months** will have their **account go into dormancy. For a** member to get out of dormancy and continue (see Serial 14-k Table- 5).

d. Monthly **deposits** are refundable upon withdrawal of the member from the Sacco.

e. A member **shall not** withdraw from the Sacco with an ongoing loan, or with guarantees issued to other members are cleared or alternative guarantors provided.

f. A notice to withdraw from the Sacco shall be given in writing.

g. Deposit refunds will be effected within 60 days after the notice has been given provided clause 'e' above is fulfilled.

h. Shares are not refundable as they form part of company assets but they are transferable to other members of the Sacco as stipulated in the Twakiri Sacco By-laws.

i. A member may convert deposits into shares at the end of each year after dividends are declared provided that it does not go above **20%** of the **total shares** of the Sacco.

5. Twakiri Sacco Shares

A member is required by Twakiri By-laws **to have a minimum of 1,000 Shares**. Categories **A-1 and A-2** are allowed to pay for their **minimum shares within 24 months**. However, as the member continues to increase the shares to the minimum requirement will be allowed to take a loan.

a. A Member is free to buy shares in Twakiri Sacco as one wishes provided that an individual's shares do **not exceed 20%** of **total shares** of the Sacco.

b. Ten (**10%) of members minimum monthly deposits** shall go towards the member's shares. (see serial 2-b above).

c. Shares **will usually attract higher dividend** rate when declaring dividends.

d. Share capital in the Sacco will attract dividends on prorata basis.

e. The Management Committee may, in consultation with AGM, call for shares increase as need arises. The Committee may also recommend **monthly shares deductions adjustment** as required.

6. Junior Deposit Account - (Non withdrawable*)*

Twakiri Sacco offers Juniors *(below 18 years old)* who are related to Twakiri Sacco members a portfolio of **non-withdrawable** deposits.

The requirements are as follows: -

- **a.** Pay a joining fee of **Ksh 1,000**.
- **b.** Be paying a minimum monthly mandatory deposit of **Kshs 2,000**. **There is no upper limit.** A member in writing may request temporarily to contribute less than the minimum amount prescribed, subject to approval by the Management Committee.
- **c.** The investment savings will be treated as normal deposits and will **earn interest.**
- **d.** Non-withdrawable deposit shall attract interest on a prorata basis.
- **e.** A parent/guardian may borrow funds against the Junior deposit.
- **f.** When juniors attain the age of 18 years, the deposits will qualify to be **converted into Sacco Shares and Deposits** as directed by the parent or guardian.

7. Fixed Deposits (Withdrawable deposits)

Twakiri will offer to its member's withdrawable term deposit at competitive interest rates as follows: -

Table -2

SR	DEPOSIT AMOUNT	6 MONTHS INTEREST	12 MONTHS INTEREST
I.	Kshs. 50,000.00 -100,000.00	4.5%	5.25%
II.	Kshs.101,000.00 - 500,000.00	4.75%	5.5%
III.	Kshs. 501,000.00 -1,500,000.00	5.5%	5.7%
IV.	Kshs. Over 1,500,000.00	Negotiable	Negotiable

Notes

a) The above rates may change from time to time.

b) Upon maturity the member can: -

- i. Collect both principal and interest or
- ii. Collect the interest and roll over the principal or
- iii. Roll over the principal together with the interest.

c) Withdrawal before the agreed time will lead to forfeiture of interest or reduced interest rate.

d) A member is required to give the **Sacco four (4) working days**- notice to withdraw the funds.

8. LOANING POLICY

Twakiri Sacco provides a variety of loan facilities primarily for developmental growth for both individual, Corporate and Groups as in **table -3 below**. A member **may be allowed** to take more than one loan in the approved products provided the member has adequate security, good track record of deposits, shares and loan repayments. The Management Committee must be convinced that the member can service the loan. The Sacco must also have adequate funds. The Management Committee reserves the right to deny a second loan.

9. LOAN PRODUCTS

The Sacco will offer the following types of loans amongst others as will be approved by the Management Committee. The different types of loans are explained in Annex- A.

Table 3- Loan Products.

Ser.	Type of Loan	Amount in Ksh.	Loan Period in (months)	Annual Interest Rate
a.	**Education Loan** (Payable directly to school)	50,000 –500,000 501,000- 1,000,000	12 24	11% 11%
b.	**Medical Loan** (Payable directly to institution)	50,000- 500,000 501,000 – 1,000,000	18 36	10% 10%
c.	**Medical Insurance Premiums** (Paid directly to the institution)	Up to 500,000	24	10%
d.	**Health Products** (Paid directly to the company)	Up to 1,000,000	24	10%
e (i).	**LPO Financing** (Interest payable monthly) (Copy of LPO to be attached)	Up to 2,000,000	6	1.3% p/m (T&C see notes below)
(ii).	**LPO Financing** (loan + interest payable at end of loan period) (Copy of LPO to be attached)	Up to 2,000,000	6	1.5% p/m (T&C see notes below)
f.	**Emergency Loan**	Up to 150,000	12	0.95% /month
g.	**Business /development Loan**	10,000 – 100,000 101,000 – 500,000 501,000 – 1,000,000 1,100,000 – 2,000,000 Above 2,000,000	12 24 36 48–60 Negotiated	12%
h. (i)	**Revolving Credit** **(INDIVIDUAL)**	**Platinum – 500,000** **Gold** - - 250,000 **Silver** - 150,000 **Bronze** - 100,000	3,000 2,500 2,000 1,500 **Annual Renewal**	1.1% p/m On outstanding Balance Refer to Annex A on revolving funds
(ii)	**Revolving Credit** **(COOPERATE)**	**Platinum** – 1,000,000 **Gold** - 500,000 **Silver** - 300,000 **Bronze** - 200,000	3,000 2,500 2,000 1,500 **Annual Renewal**	1.1% p/m On outstanding Balance. Refer to Annex on revolving funds

i.	**Personal/ Travel/Holiday Loan**	50,000- 250,000 251,000- 500,000	12 24	11.5% 11.5%
j.	**Top-Up Financing** (T & C apply - see loaning Policy)	**Up to original amount**	**Loan period to be adjusted accordingly.**	Same interest rate
k (i)	**Motor vehicle Loan** (Log Book to be jointly registered – see loaning policy) Borrowers meet all incidental costs	**Maximum 3,000,000**	Up to Kshs 1,000,000 – 36 Months. **Above Kshs 1,000,000 – 48 months.**	12 % 12 %
n (ii)	**Motor Vehicle insurance** Vehicles jointly owned with Twakiri Sacco payable to the insurance company	Cost of insurance	9 months	11.5%
o.	**Insurance Loan – (Other)** (payable to the insurance company)	200,000	9 months	11.5%
NOTE: ***- ALL LOANS MUST BE INSURED AND SECURED***				

NOTE:

The Management Committee has the authority to review loan repayment period based on prevailing circumstances.

10. Loan Processing and Loan Top-up Fee.

Twakiri will charge the following loan processing and Loan Top-up Fee.

Table -4

Ser.	Amount in Ksh	Processing Fee- Ksh	Top-up Fee- Ksh
a	Below Ksh 100,000	3,000	2,500
b	101,000 – 500,000	5,000	4,000
c	501,000 – 1,000,000	8,000	7,000
d	1,100,000 – 2 million	0.8%	0.7%
e	Above 2 million	0.9%	0.8%

NOTES:

I) Disbursement of funds outside the country the cost shall be met by the borrower.

II) The Management Committee reserves the right to adjust the fee.

11. LPO FINANCING

Interest will start accruing once the loan is disbursed. Payment of the interest serial 9 (option 'e' (i) above will start from the following month.

a. LPO loan repayment has two (2) options.

Option-1 The borrower is required to pay the interest on a monthly basis at the rate of 1.3% for the LPO period or 6 months whichever is the earlier, then the principal at the end of the period.

Option- 2 The borrower is required to pay both the principal and interest at the end of the LPO period or 6 months whichever is the earlier at the rate of 1.5%.

b. **Failure to pay the principal** by the due date, the outstanding principal shall attract a penalty of 2.0% compounded. A further 3 months may be allowed @ an interest rate of 1.5% per month before recovery is initiated. After the 3rd. month a member may, upon written appeal, request to convert the loan into a defaulter loan arrangement at an interest rate of 1.3% per month until the loan is repaid in full. Penalty clause for loan/interest default shall apply.

12. LOAN ADMINISTRATION.

a. All loan applicants will fill-in the Twakiri prescribed application form as required by providing all the critical information.
b. The Loan Committee will evaluate all loan applications and give their recommendations to the Management Committee.
c. Loan interest rates will be determined by the Management Committee from time to time and ratified at the earliest opportunity by a general meeting.
d. The Chairperson of the Management Committee, the Treasurer and at least one other member of the Loan committee must approve all loans.
e. Loans above Kshs 500,000/= must be approved by both the Management Committee's Chairperson, the Treasurer and the Chairperson of the Loans Committee.
f. Loan calculation shall be from the date the loan is disbursed. Loan repayment will usually commence the following month. LPO financing shall be treated in accordance with terms in the loaning policy.
g. Loan repayment in advance is allowed.
h. Loan top-up may be allowed depending on the repayments and credit history of the member. A borrower must have paid a minimum of **Fifty percent (50%)** of the current loan. The Loan guarantor must accept the top up and loan repayment period and insurance reworked accordingly.
i. Loans will be considered on first come first served basis. However, whenever there are more applications for loans than the available funds, then preference shall be given in the following order.
   - Members who have never taken loans.
   - New members who have qualified for loans
   - Members who have cleared their first loans and have applied for fresh loan.
j. Loan applications should be made by the 10th day of the month. The loan processing should be completed **within Four (4) working days**. Emergency, will be processed **within Two (2)** working days.

k. The borrower shall meet all charges related to the loan.

l. **Motor vehicle loan** will be offered under the following conditions: -

   I. The member is required to have paid into the Sacco an equivalent of twenty **(20%)** of the money being borrowed.
   II. The motor vehicle log book shall be held as collateral.
   III. The loan will attract a processing fee of **(0.8 % or 8,000/=)** whichever is the higher) of the value of the vehicle.
   IV. The loan will **not exceed 80%** of the vehicle forced value given by a Valuer approved by Twakiri.
   V. The Log Book must be **transferred in-joint names** with Twakiri Sacco before money is released to the seller.
   VI. The vehicle must be jointly and comprehensively insured at all times during the loan period with an insurance company approved by Twakiri at the member's cost.

13. Loan Security

a. A member may secure a loan by offering deposits held in Twakiri. Other securities from shares of listed companies/ groups, Title Deed, agreed by the Management Committee may be considered. Only seventy (70) percent of the value of such security will be considered. The interest of Twakiri must be noted in the security offered. Other members of Twakiri Sacco may act as guarantors.

b. Car–logbook valuation from Twakiri recommended valuer may be considered to secure a member's loan. The borrower shall meet the cost of valuation. The vehicle above 10 years old will not considered.

   i. Up to **50%** of the value of the said motor vehicle shall be considered. **Personal guarantee may be required**.
   ii. The vehicle must be comprehensively insured and interest of the Sacco noted in the policy.

NB. Every year the vehicle must be re-valued. Borrower will meet the cost of the re-valuation**.**

14. Penalties.

Penalties shall be deducted directly from individual's deposit as follows: -

a. If a member defaults on the loan repayment, whether fully or partially, the interest on the unpaid loan is automatically added to the remaining principle.

b. In additional, a penalty of **5.0% or Ksh 3,000/=** *whichever is higher*, will be charged on the principle monthly repayment.

c. The borrower will be required to make good all the skipped loan repayments to stay within the insurance cover specified in the loan period. Failure to pay the loan shall be charged at a higher interest rate of 1.0% per month ***above the current rate*** *on the extended loan period.* Revised insurance charges shall also be met by the borrower.

Amended on 26/9/2020

d. Skipping loan repayment for two (2) consecutive times will trigger a written warning notice to the borrower and the guarantor.

e. Skipping loan repayment for **3 consecutive times**, a member's loan account will be declared dormant and the member treated as **a high-risk borrower**. This will result in loan recovery procedures being commenced. A penalty of 0.5% or Ksh 3,000/= (whichever is the higher) per skipped month will also be imposed.

f. A borrower who skips loan repayment more than 3 times in one year during the loan period will have to wait for at **least 3 months to qualify** for **any new loan** or to be a guarantor until his/ her credit worthiness is reassessed by the Loans Committee. A borrower will also be risking his/her/ entity name being forwarded to **CRB (Credit Reference Bureau) Agent).**

g. Failure to remit the agreed monthly **minimum deposit** shall attract a penalty of **Kshs 1,000/=** for categories A-2 and B-1, Kshs **2,000/=** for a corporate or group and **Ksh 500/= for category A-1 and Juniors.** However, for a member who in the previous one month paid more than the minimum deposit a penalty **waiver will be considered**. After 3 months of continuous non-payment, the account will be declared dormant. A member with a dormant account will not enjoy full privileges of the Sacco i.e.: - borrowing or being a guarantor of more than 80% of own deposits, voting rights, attending meetings etc.

h. A member whose account has become dormant due to non-payment of deposits or loan repayment for three (3) consecutive months will trigger a recovery process. After recovery is completed, the member will be refunded balance of deposits (if any) that are uncommitted. At this stage the member, on request, may be allowed to retain Sacco membership and continue to enjoy dividends and interest on own shares and deposits remaining in the Sacco.

i. Failure to submit **a banking confirmation or to notify Twakiri office** on the money paid to the Sacco Society by the fifth (5^{th}) day of the following month shall be penalized @ **Kshs 300/-.**

j. Depositing money in the wrong account will attract **transactional costs** <u>plus</u> a penalty **of Ksh 300/=.**

k. Rejoining the Sacco Society after suspension or their account being dormant for more than **three (3) months** shall require the member to pay a non-refundable rejoining fee as follows: -

Table- 5- Rejoining the Sacco

Category	Rejoining after 3 Months	Rejoining after 6 Months
Category A-1	1,500	2,000
Category A-2, B-1 & B-2	2,000	2,500
Category C-1 & C-2	3,000	5,000

l. The person or the entity rejoining the Sacco shall have to wait for a minimum of 3 months before qualifying for a loan or being a guarantor.

m. **Lateness** to a scheduled committee meeting by more than 30 minutes without a written apology, made at least 30 minutes before the start time, will attract a penalty of **Kshs 500/=.**

n. Failure to attend a **scheduled meeting**, that is properly notified, without a written apology or good reason made at least 12 hours in advance, shall attract a penalty of **Kshs 1,000/=.**

o. Failure to perform an **assigned Sacco duty** without a credible reason shall attract a penalty of Kshs **500/=** per person in the team.

p. The management committee may introduce other penalties or review the existing ones periodically for the purpose of improving efficiency and commitment by the members. These shall, however, require ratification by a general meeting at the earliest opportunity.

15. Loan Default Recovery

a. Any loan that is overdue for re-payment with more than three (3) consecutive months will trigger recovery process from the borrower and the guarantor. This process will have commenced after two (2) months where the borrower and the guarantor will have been notified by the manager/ credit committee accordingly**.**

b. The Sacco reserves the right to recover the security offered by the member or guarantor to offset the loan, penalties and the interest thereof.

c. Twakiri Sacco has no provision for notifications for defaulting to pay loan and monthly mandatory minimum deposits. However, under agreed terms and conditions one may pay an agreed amount or penalties will apply.

d. The Management Committee retains the right to review these conditions depending on an individual circumstance.

ANNEX- "A"- TO TWAKIRI FINANCIAL POLICY

Twakiri Sacco Loan Products:

The Sacco offers the following loan products and services. These are meant to meet the needs of the members in an efficient and profitable way.

1. Business/Development Loan

These are loans given with the aim of investment purposes.

a. This is a loan product specifically targeting business ventures
b. This is both a short term and long-term loan whose aim is to boost business stock and improve earnings.
c. Minimum loan is Kshs 10,000.
d. Interest of 12% pa on reducing balance applies.
e. Loan issued according to the member's category based on deposit.
f. Self-guarantee up to maximum deposit.
g. Guarantor is required if a member is taking more than own deposit.

2. Personal Loan.

This is a loan product that enables a member to acquire personal items such as phones/tablets laptops/ fridges etc. from any reputable dealer.

a. Granted according to the member's category and deposits.
b. They are charged at an interest of 11.5%.pa. on reducing balance.
c. The maximum loan a member can get is Ksh 500,000 repayable in **24 months.**
d. A Member **may be required** to obtain a quotation/pro-forma invoice from the dealers and attach it along with application form.
e. No guarantor is required if member's deposit equals the amount applied for.

3. Top Up loan.

This is a product to top-up additional funds to the ongoing loan.

a. Members may request for this loan as long as 50% of ongoing loan has been paid.
b. The member will pay a top-up processing fee based on the amount of top-up (see Serial 9 Table-3)
c. This loan is treated as a normal loan and therefore all applications should be received on or before 10th of every month.
d. The repayment period will be adjusted according.
e. Fresh insurance will have to be secured.

4. <u>Emergency Loan.</u>

This is granted for unseen circumstances such as funeral expenses, hospitalization, court litigations, etc.

a. The loan applications may require documentary evidence.
b. A member shall be entitled to only one emergency loan not exceeding Ksh 150,000 at a time.
c. Payable in 12 months.
d. Interest rate 0.95% per month.
e. No guarantors required if savings equals to amount applied for.

5. <u>Local Purchase Order (L.P.O) Financing.</u>

This enables a member to access financing against a local purchase order from any reputable organization to be able to deliver goods/services.

a. Maximum amount allowable is up to Ksh. 2,000,000.
b. Interest changed 1.3% -1.5% pm (See LPO Financing Policy).
c. *L.P.O. Eligibility Criteria;

   (i) Valid L.P.O from a reputable organization e.g. government ministry, parastatal, blue chip company, or corporate companies.
   (ii) Valid business registration and permit documents.
   (iii) Pro-forma invoice or quotation of items of purchase from the supplier.
   (iv) Credit worthiness to be established.
   (v) A borrower is operating as sole proprietor.
   (vi) In case of company with multiple directors, then minutes of resolution to borrow will have to be provided.

<u>6. Health Products.</u>

They are meant for addressing health problems and improve quality of life. They form an

indispensable component of our health system. The following are substances/equipment that give energy or makes the person healthy: -

- Multivitamins.
- Weight Gain Supplements.
- Non-fat milk powder.
- Probiotics.
- Fiber Supplements.
- Gym equipment.
- Healthy Cookware e.g. Salad Master cookware.

a. Maximum allowable amount not exceeding Kshs. 1,000,000.

b. Payable within 24 months.

c. Interest payable 10% pa.

d. Pro-forma invoice or quotation of items of purchase from the supplier.

e. Guarantor required if a member does not have adequate deposits.

7. Education loan.

School fees loan applies to primary, secondary school and college/university.

a. Documentary evidence like fees structure and admission letters must be attached along with loan application form.

b. Payment (cheques) shall be sent directly to the institution.
c. Amount permissible is Ksh10,000 up to Ksh 1,000,000.
d. Payable in 12 or 24 months.
e. Interest rate 11 % pa (See Table Loan Products)
f. Guarantor required if a member does not have adequate deposits.

8. **Medical Loan.**

A member can access funds to cater for their medical expenses. This product includes; inpatient, outpatient, maternity, optical, and dental care etc.

a. Payable directly to the Health provider institution on production of a certified copy of invoice.
b. Maximum amount allowable shall be up to Kshs 1,000,000.
c. Payable in 18 to 36 months depending on amount.
d. Interest rate of 10 to 11% depending on amount.

9. **Medical Insurance.**

A member can access funding to meet one's medical insurance needs.

a. A certified pro-forma invoice be attached to the application form.
b. Paid directly to the service provider.
c. Maximum amount allowable is up to Kshs. 500,000.
d. Interest payable is 10%.pm.
e. Payable within 24 months.

10. **Revolving Credit**

This will be credit advance on Prepaid Visa Branded Debit Card.

a. A member will be issued with a prepaid visa branded debit card, which will be loaded with a pre-determined amount that can be used at any outlet or POS (Point of Sale machine) that has a visa sign.
b. The pre-set /determined limits will be based on an individual's credit rating. The facility will be based on the following.

Individuals- Table-6

Facility	Limit	Processing fee	Annual Fee
Bronze	Up to Kshs 100,000	1%	1,500
Silver	Up to Kshs 150,000	1%	2,000
Gold	Up to Ksh 250,000	1%	2,500
Platinum	Up to Ksh 500,000	1%	3,000

Corporate- Table-7

Facility	Limit	Processing fee	Annual Fee
Bronze	Up to Kshs 200,000	1%	1,500
Silver	Up to Kshs 300,000	1%	2,000
Gold	Up to Ksh 500,000	1%	2,500
Platinum	Up to Ksh 1,000,000	1%	3,000

c. The revolving credit has a 30-day interest free period.
d. The borrower will be required to pay back at least 10% of the outstanding amount every month, plus any interest or additional agreed upon charges.
e. Payable interest is 1.1% p/m on outstanding balance.
f. The facility can be topped up at any given time as long as it does go beyond the prescribed facility applied for.
g. If a member defaults in paying the minimum prescribed amount an interest of 3% p/m will be charged on the outstanding balance.

11. Personal/Travel/Holiday Loan.

This is relatively a short -term personal loan that a member can access to be used for holiday trips. It can also serve as a solution to a high expenditure at the end of the holiday season.

a. Maximum amount allowable is up to Ksh. 500,000.
b. Payable within 12- 24 months depending on the amount.
c. Interest rate of 11.5% pa.

12. Motor Vehicle Loan.

A loan is available to enable a member purchase a vehicle for personal or business use. (See Loans Products Serial 9-Table-3 ‘k’ (i).

a. The member must have paid into the Sacco an equivalent of 20% of the money being borrowed.

b. Financing is up to 80% of the vehicle valuation.
c. The motor vehicle log book shall be held as collateral.
d. The log book must be in-joint names with Twakiri Sacco.
e. The vehicle must be jointly and comprehensively insured at all times during the loan period with an insurance company approved by Twakiri Sacco at the members' cost.
f. Maximum amount accessible is up to Kshs. 3,000,000.
g. Payable in forty-eight (48) or 36 months (See Loans Product Table-3 k (i))
h. Twakiri Sacco management committee **reserves the right** to call for personal guarantees/ other guarantees deemed necessary.

15.**Motor Vehicle Insurance.**

A member may access finances to assist in meeting the motor vehicle insurance cost/premium.

a. The vehicle must be jointly and comprehensively insured at all times during the loan period with an insurance company approved by Twakiri at the member's cost. Alternatively, an acceptable guarantee has to be offered.
b. The amount advanced must be equivalent to the cost of insurance.
c. Payable within 9 months.
d. Interest rate 12% pa (Serial 9 Table -3)

16. **Insurance Loan.**

A member may access funds to cover repayments towards insurance policy e.g. life, household goods, equipment, building etc.

a. Directly payable to the insurance company.
b. Maximum amount up to Ksh. 200,000.
c. Payable within 9 months.
d. Interest rate is 11.5%.

16. General loaning information.

a) All loan applications can be duly filled on the Twakiri Sacco prescribed forms available at on Twakiri website.
b) All loans will be processed on the principal of first come first served basis. However, where amounts applied for are approximately the same, preference will be given to loans with shorter periods. Notwithstanding the foregoing, priority shall be given in the following order: -

    a. A member who has never taken a loan before.
    b. New members who have qualified for a loan.
    c. Members who have cleared their previous loans and have applied for fresh Loans.

c) All loans must be guaranteed unless the applicant's deposits are higher than the loan applied for.

d) No new loan will be processed unless the previous ones are being serviced according to terms and conditions.
e) Minimum monthly deposit contribution will be maintained during the loan period.
f) Every new loan processed will attract a processing fee as prescribed or determined by the management committee.
g) The loan repayment period shall be as prescribed or as determined by Management Committee from time to time. Repayment terms shall show clearly amounts repayable relating to the principal loan and interests.
h) All loan repayments will commence the following calendar month after the loan is released. Interest will be loaded immediately once the loan is disbursed.
i) Members statements shall be posted to Twakiri website monthly.