

LAW SOCIETY OF KENYA SACCO SOCIETY LTD

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LOAN RESTRUCTURING APPLICATION FORM

(FOR EXISTING LOANS BEFORE 23RD MARCH 2020)

A. INSTRUCTIONS TO THE APPLICANT

- Make sure you have already applied for this loan restructuring on the members web-portal (www.webportal.lsksacco.co.ke) before you fill this application form.
- Complete this loan application form (Part A-J) in CAPITAL LETTERS. Any alteration MUST be countersigned. Do not use white-out.
- LOAN RESTRUCTURING is only **applicable and available to all members with existing loans issued before 23rd March 2020. This will also include rescheduled loans before 23rd March 2020.**
- This application will attract an upfront minimal Insurance fee as follows:
 - Up to loan balances of Kshs 1,000,000= 2.5%
 - Next balance within Kshs 1,000,001-7,500,000= 1%
 - Next balance of above 7,500,001= 0.5%
- Interest rate for restructured loans will be as follows:**
 - Loan restructuring with reduced installment amount of not less than half of the original/current loan repayment installment.
 - Interest rate of 12% p.a. for loans not previously rescheduled, any default after loan restructuring will trigger interest rate increase to 12.5% p.a.
 - Interest rate of 14% p.a. for previously rescheduled loans.
 - Interest rate of 12.5% for loan restructuring with reduced installment amount to a minimum of ¼ of the original/current loan repayment installment but less than half of the original/current installment, any default will trigger interest rate increase to 13% p.a.
- Loan repayment period will be determined by the proposed instalment amount suggested to pay as per 5 a) and b) above.
- Guarantor's loan and deposit account must be up to date to be eligible to guarantee.
- Monthly contribution of **Kshs.1,000** for Non-advocates and **Kshs. 2,000** for Advocates or **0.10%** of the original loan amount whichever is higher will be added to your monthly loan repayment (maximum Kshs 20,000).
- No member may withdraw his/her deposits unless all loans are repaid and all loans guaranteed by him/her are cleared.
- In case of default, I understand that:
 - The unpaid installment (s) attracts a penalty of 10% per month,
 - A 10% offsetting charge of the loan balance or deposits used whichever is lower shall be charged in case deposits are used to offset a loan.
 - After offset from own deposits, the Sacco will recover any outstanding balance from guarantors where they exist and I will not access any other credit facility until I save for a period of 6 more months
 - The Sacco will negatively list me with the Credit Reference Bureaus (CRB).
- NB: The above are brief excerpts of the Credit Policy and may change from time to time. For the full and currently applicable information, terms and conditions, kindly refer to the prevailing rules, by-laws, Credit policy and AGM resolutions and LSK SACCO business update following covid-19 pandemic-update-3 dated 29th June 2020 (Available on Sacco website).**

B. APPLICANT'S DETAILS

Full Name: (as per ID card) _____

Member No: LS- _____ ID/Passport No: _____

P.O. Box _____ Code _____ Town _____

Telephone No: _____ Mobile No: _____

Email: _____

Residential Physical Address _____

Street _____ Building _____ Hse No. _____

Employment/Work physical address _____

Street _____ Building _____ Hse No. _____

Position in Society: Member, Committee Member or Employee _____

C. LOAN RESTRUCTURING DETAILS

Original Loan Type _____ Original Amount Approved _____

Outstanding Loan Balance _____ Original Instalment amount _____

Loan Amount Applied (**Equivalent to outstanding balance**): _____

Amount in Word _____

Proposed Instalment amount keyed and accepted in your member's portal account _____

Source of Income**a) Employment**

State your ordinary source of income _____

Employer _____ Position _____

Gross Salary _____ Net Salary _____

I recommend this application will inform the society should circumstances change or the loanee be dismissed or resign from the firm.

Name _____ Designation _____

Signature & Company stamp _____ Date _____

b) Not Employed, State your;

(i) Ordinary source of income _____

(ii) Current source of income _____

Reasons for loan restructuring application _____

D. LOAN SECURITY**(i) LOAN GUARANTORS:**

We, the undersigned **Guarantors** having read and understood the instructions on part A of this loan authorize you to deduct any defaulted portion of the loan plus due charges from any deposit owned by us, 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.

To be filled by Guarantors						Official Use
Member Name	Member No.	ID. NO.	Amount Guaranteed	Mobile No & Email address	Signature	
1.						
2.						
3.						
4.						
5.						
6.						

(ii) COLLATERAL: (Please deliver original Title/Logbook documents)

Security name _____ Title/Registration No. _____

Security name _____ Title/Registration No. _____

Security name _____ Title/Registration No. _____

E. LOAN REPAYMENT MODE

Preferred mode of loan repayment:

Direct Debit [] Standing Order [] Check Off [] Postdated Cheques []

For checkoff:

I hereby authorize my employer to deduct from my salary my loan repayment amount according to the repayment terms under which this loan is granted. Should I leave the services before completion of repayment, I hereby authorize the balance to be deducted from any terminal benefits due to me and from my deposits in the society, unless I make other arrangements.

Signature: _____ Date: _____

F. DECLARATION

I hereby declare that the information given above is true to the best of my knowledge and belief. I agree to abide by the By-laws of the society, rules and the loaning policy. I declare that I have understood the instructions on the first page of this application form.

Full Name: _____ ID: _____

Signature of Applicant: _____ Date: _____

G. FOR OFFICIAL USE**Loans officer's Appraisal**

Total Deposits: _____ Maximum Loan (3 times of deposits): _____

Existing Loan(s) Balance: _____

Comments: _____

Restructuring amount paid: _____ Receipt No: _____

Appraised by: _____

Name: _____ Signature _____ Date _____

CRO's Comments _____

CRO's Name _____ Date _____ Signature _____

Loan's Manager

I confirm that I have verified the information given in this form.

Comments _____

I certify that the applicant is/is not within the rules of the society.

If not, give reasons _____

Name: _____ Signature _____ Date _____

General Manager

This application should be accepted or rejected for the amount of Kshs. _____ Repayable in
 _____ Monthly installments.

Comments _____

Name _____ Signature _____ Date _____

H. CREDIT COMMITTEE APPROVAL

During the credit committee meeting held on _____ It was resolved that this application be,

i) Approved of Kshs. _____ Amount in words _____

ii) Deferred because _____

iii) Rejected because _____

Any other comments _____

Approved By:

Chairman _____ Secretary _____ Member _____ Date _____

The finance department is hereby authorized to post the restructured loan.

I. LOAN POSTING

Application received on: _____ Loan restructured _____

Posted by: _____ Confirmed by: _____

Date: _____ Date _____

Checked by Treasurer _____ Signature _____ Date _____