

September 2020 Edition 1



FAULU MFB KEY FACTS DOCUMENT (KFD)

TABLE OF CONTENTS

A. LIABILITIES/DEPOSIT PRODUCTS	3
A1. PERSONAL CURRENT ACCOUNTS PROGRAM -----	3
Hazina Account-----	4
Faulu Salary Account-----	5
Faulu Personal Multicurrency Account-----	6
Faulu Digital Account-----	6
Faulu Boda boda Account-----	8
Individual Rent Collection Account-----	9
Individual Premier Account-----	10
Maisha Account-----	11
A2. PERSONAL SAVINGS ACCOUNTS PROGRAM -----	13
Hazina Junior Account-----	13
Hazina Plus Account-----	15
A3. PERSONAL COLLATERAL ACCOUNTS PROGRAM -----	16
Loan Security Fund (LSF) Account-----	16
A4. BUSINESS CURRENT ACCOUNTS PROGRAM -----	17
Faulu Business Multicurrency Account-----	18
Faulu Chama Account-----	19
Imani Multicurrency Account-----	20
Faulu Investment Account-----	21
Faulu Rent Collection Account-----	22
School Collection Account-----	23
Government Collection Account-----	24
Distributors Account-----	25
Business Premier Account-----	26
Group Welfare Account-----	27
A5. TERM ACCOUNTS PROGRAM -----	27
Faulu Faida Fixed Deposit Account-----	28
Call Deposit Account-----	29
Faida Plus Account-----	29
Lengo Account-----	30
B. ASSETS/LOANS AND ADVANCES	31
B1. PERSONAL SEGMENT -----	31
B1.1. CONSUMER/SALARY BACKED-LOANS PROGRAM -----	31
Faulu Corporate Check-off Loan.....	35
Faulu Unsecured Salary Advance.....	36
Imara Loan.....	37
Emergency Check Off.....	39
Check Off Asset Finance (ACF).....	40
Tamba Imara.....	41

Okoa Mteja Temporary Overdraft	42
B2. BUSINESS SEGMENT -----	43
B2.1 COMMUNITY & MICRO LOANS PROGRAM -----	43
Group Business Loan	45
Group Extra Loan	46
Faulu Micro Fully Secured Loan	47
Faulu Micro Loan	48
Faulu Chama Loan	50
Pesa Chap Chap Mobile Loan	51
B2.2 Community Agribusiness Loans Program -----	53
Nafaka Inputs Loan	55
Nafaka Off Taker Contract Backed Loan	57
Kilimo Bora Loan	58
Maziwa Loan	59
Green Gold	61
B2.3 SME & CORPORATE LOANS PROGRAM -----	63
Biashara SME Loan	65
Asset Finance	68
Insurance Premium Finance (IPF)	71
Faulu Landlord Loan (Informal/Alternative Securities)	73
Faulu Landlords & Estate Agents Loan (Fully Secured)	75
Cash Covered Loan (Lengo Loan)	77
Faulu Overdraft	78
Temporary Overdraft	79
Faulu Milele Mortgage	80
Real Estate Loan	81
Ushirika Loan	82
Bid Bonds & Guarantees	83
Cheque Discounting (Payment against uncleared cheques)	84
Invoice discounting	85
Wholesale Loan	85
Loan Fund Management Facility	86
Business Chap Chap Mobile Loan	87
Amendments Chronology -----	88
APPENDIX -----	89
II. KYC & Loan Application Requirements Check list -----	89
III. Tariff Guide -----	92
IV. Credit Policy -----	93
V. Accounts & Customer Relationship General Terms & Conditions -----	93

Disclaimer.

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All Product Programs in section B (Assets/Loans & Advances) are subject to the provisions of the Credit Policy hereby attached in Appendix IV and applicable section of Appendix ii of this document.

All Product Programs in section A (Liabilities/Deposit Products) are subject to the provisions of the Accounts and Customer Relationship General Terms and Conditions hereby attached in Appendix V and applicable section of Appendix ii of this document.

A. LIABILITIES/DEPOSIT PRODUCTS

A1. PERSONAL CURRENT ACCOUNTS PROGRAM

1. How we interact with you.

How to deposit money into your account: You can **generally** pay money into your account in any of the following ways:

Over the counter on any of our branches, inter account transfers, RTGS Standing instructions and through Mobile deposits. Some products may require specific ways to deposit funds in to your account. Please refer to the detailed description per product below.

How to take money out of your account: You can **generally** take money out of your account in any of the following ways:

Over the counter an any of our branches, ATM, inter account transfers and through mobile withdrawals. Some products may require specific ways to withdraw funds from your account. Please refer to the detailed description per product below.

Inactivity/dormancy: After 90 days of inactivity, an account will be considered inactive. You will need to request in writing to reactivate your account. After 180 days of account inactivity, the account is considered dormant. To reactivate, a fee may apply. See 5 (fees).

Tax implications: The current withholding tax will be debited from your account for interests earned on deposits while excise duty will be levied on all transactions done.

Account closure: You may close your account at any time. To close your account, request the bank in writing. If you close your account, there will be a charge for doing so and the account will be closed after 1 day. If this is a fixed deposit account, early termination may result in losing interest accrued.

How to complain: If you are dissatisfied with our services, we welcome you to communicate this to us via our Customer Experience Center on 0708111000 or at any Faulu branch near you. We will acknowledge receipt of your complaint and give you the timelines for the expected resolution of your complaint.

a) *Hazina Account*

Hazina Account																								
Target	Mass and Mass Affluent																							
Purpose	A transactional account that allows for unlimited withdrawals																							
Product Features	<ul style="list-style-type: none"> • Minimum operating balance of KES. 200 • Unlimited withdrawal • No monthly ledger fees • No account maintenance fees • Competitive interest rates of up to 3.50% P.A <table border="1"> <thead> <tr> <th colspan="3">HAZINA INTEREST RATES</th> </tr> <tr> <th>Min.</th> <th>Max.</th> <th>Interest Rate P.A</th> </tr> </thead> <tbody> <tr> <td>KES. 3,000</td> <td>KES. 50,000</td> <td>1.50%</td> </tr> <tr> <td>KES. 50,001</td> <td>KES. 100,000</td> <td>2.00%</td> </tr> <tr> <td>KES. 100,001</td> <td>KES. 500,000</td> <td>2.50%</td> </tr> <tr> <td>KES. 500,000</td> <td>KES. 1,000,000</td> <td>3.00%</td> </tr> <tr> <td colspan="2">Above KES. 1,000,000</td> <td>3.50%</td> </tr> </tbody> </table>			HAZINA INTEREST RATES			Min.	Max.	Interest Rate P.A	KES. 3,000	KES. 50,000	1.50%	KES. 50,001	KES. 100,000	2.00%	KES. 100,001	KES. 500,000	2.50%	KES. 500,000	KES. 1,000,000	3.00%	Above KES. 1,000,000		3.50%
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Above KES. 1,000,000		3.50%																						
Price (Fees / Charges)																								
Minimum Operating Balance	KES. 200																							
Minimum Interest Earning Balance	KES. 3,000																							
Ledger fees	Nil																							
Deposits	Cash handling fees apply as per tariff guide																							
Withdrawal Over the Counter	Applicable as per tariff guide																							
Withdrawal at ATM	Apply as per tariff guide																							
Inter account transfers (internal accounts)	KES. 50																							
Account Closing Fees	KES. 200																							

b) Faulu salary Account

Faulu Salary Account											
Target:	Salaried employees of both Private companies and Public institutions.										
Purpose:	A transactional account that has efficient salary processing with embedded value adding services like automated salary advances and Non MOU based loan										
Product Features	<ul style="list-style-type: none"> • Salaried staff saving and standing order instruction issue applicable • A free retrenchment cover of 3 months and Last expense cover for borrowers • 1% Discount on Setup fee for new and existing customers on upon Salary switch(one-off) • Unlimited withdrawals over the counter • No monthly ledger fees • No account maintenance fees • Interest on savings of up to 3.5% p.a. • Access to salary advance • Access to Personal Salary loans <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Min.</th> <th>Max.</th> <th>Interest Rate P.A</th> </tr> </thead> <tbody> <tr> <td>10,000</td> <td>100,000</td> <td>2.50%</td> </tr> <tr> <td>100,001</td> <td>250,000></td> <td>3.50%</td> </tr> </tbody> </table>		Min.	Max.	Interest Rate P.A	10,000	100,000	2.50%	100,001	250,000>	3.50%
Min.	Max.	Interest Rate P.A									
10,000	100,000	2.50%									
100,001	250,000>	3.50%									
Price (Fees / Charges)											
Minimum Operating Balance	KES. 200										
Minimum Interest earning balance	KES. 10,000										
Ledger fees	Nil										
Withdrawal Policy	Unrestricted										
Withdrawal at ATM	As per tariff										
Cheques	As per tariff										

c) Faulu Personal Multicurrency Account

Faulu Personal Multicurrency Account	
Target:	<ul style="list-style-type: none"> • Entry level banking • Mass and Mass Affluent
Purpose:	A transactional account that provides for access to personal loans
Product Features and Benefits	<ul style="list-style-type: none"> • Access to overdrafts • Access to affordable loans • Unlimited withdrawals • No monthly ledger fees • No account maintenance fees
Price (Fees / Charges)	
Currency	KES,USD,GBP,EUR,ZAR
Minimum Operating balance	KES. 200 KES Equivalent for foreign currency
Ledger fees	None
Deposits	Applicable as per the most current tariff guide & KES Equivalent for foreign currency
Withdrawal Over the Counter	Applicable as per the most current tariff guide & KES Equivalent for foreign currency
Withdrawal at ATM	Applicable as per the most current tariff guide for KES only
Cheques	Applicable as per the most current tariff guide for KES only

d) Faulu Digital Account

Faulu Digital Account	
Target Market	Mass market
Features and Benefits	Self-Account opening capability through Phone Limitless banking -24/7 availability Access to Mobile banking
Price(Charges and Fees)	

Minimum operating balance	KES. 250		
Interest rate table	Min.	Max	Interest Rate P.A
	1,000	100,000	2.5%
	100,001	250,000	3.5%
Interest earning balance	KES. 1,000		
Maximum Account Balance	KES. 250,000		
Account transaction limits	Underpinned by the defined Mpesa limits i.e. Kes 70,000 per transaction and Kes 140,000 per day for cash deposits and withdrawals		
Withdrawal policy	Unlimited via USSD *339# dictated by Mpesa limits		
ATM card policy	N/A		
KYC Policy	Customer identity verification via IPRS		
Customer Onboarding	Terms and Conditions of the account to be availed on phone before proceeding to open the account		
Mobile Banking	Mobile banking (Pay bill Business Number 328585) USSD Mobile banking application *339# Remote Account Opening (Pay bill Business Number 328586)		
Ledger fees	Nil		
Deposits	Done via paybill number 328585		
Withdrawal	Done via *339#		
Inter account transfers (Within)	Done via *339#		
Account Closing Fees	KES. 200/-		

e) **Boda Boda Account**

Faulu Boda boda Account	
Purpose	<ul style="list-style-type: none"> • Provide easy access for savings and financing to Boda Boda operators, promoting them to the next level i.e. Tuk Tuk, Matatus • Acquisition of motorbikes • Replacements/upgrades
Target	<ul style="list-style-type: none"> • Boda boda riders
Product features and benefits	<ul style="list-style-type: none"> • Unlimited no. of transactions from any channel. • No monthly ledger fees • Ease to access finance for motor bike - finance first motorbike 80%, 100% on second motorbike. • Access to 100% financing based on additional security • Access to motorcycle spares from Faulu accredited dealers • Promote those with 3 and above to Tuk Tuk and matatu • Daily savings through mobile banking platform
Price (Fees / Charges)	
Account opening Balance	KES. 200
Ledger fees	Nil
Account Statement fees	As per tariff
Deposits	Free
Withdrawal Over the Counter	KES. 100 Up to KES. 500,000 0.2% Above KES. 500,000
ATM – debit card facility	Eligible for debit cards
Account Closing Fees	KES. 200/-

f) Individual Rent Collection Account

Individual Rent Collection Account	
Target:	<ul style="list-style-type: none"> • Individuals and upcoming agents • Landlords
Market need	<ul style="list-style-type: none"> • Convenient rent collection solution • Instant evidence of payment • Bridging finance • Instant rent transfers to landlord
Product Benefits	<ul style="list-style-type: none"> • Access to overdraft facility • A payment reconciliation solution to the agent (Enhanced Paybill Solution)
Product Features	<ul style="list-style-type: none"> • Unlimited withdrawals • 2 Free statements annually on request • No monthly ledger fees • No account maintenance fees
Price (Fees / Charges)	
Minimum Opening Balance	KES. 2,000
Interest	Interest of up to 5% p.a on average balances above Ksh. 2M
Ledger fees	Nil
Statement fees	Free half yearly statements on request
Withdrawal Over the Counter	KES 100 Up to KES 500,000 0.2% Above KES 500,000
Withdrawal at ATM	Applicable as per tariff guide

g) Individual Premier Account

Individual Premier Account		
Target Market	Individual Customers who are willing and able to pay for premium services	
Purpose	<ul style="list-style-type: none"> • High earning Investment solutions • Forex 	
Features and benefits	<ul style="list-style-type: none"> • Interest earning current account • Foreign currency account 	
Price (Charges and Fees)		
Minimum Operating Balance	None	
Account Opening Amount	KES 5,000	
Interest rate	Individual premier account rates (P.A)	
	<i>Tier in KES.</i>	
	10,000 - 99,999	3.00%
	100,000 - 499,999	4.00%
	500,000 - 999,999	5.00%
	1,000,000 - 10,000,000	8.00%
	10,000,001 and above	Negotiable to a max of 10.00%
Minimum interest earning amount	KES. 10,000	
Withdrawal policy	KES. 50 Up to KES. 500,000 0.2% Above KES. 500,000	
ATM card policy	Eligible for Visa Debit Card	
Monthly ledger fees	KES. 1,000	
Internet and Mobile Banking	Mobile and internet banking	

h) Maisha Account

Maisha Account																																											
Target	All Kenyans above the age of 18 and below the age of 75																																										
Purpose	To build a savings culture among the economically active clients in alignment to the need to plan, grow and protect self, family and business.																																										
Account Type	Personal transactional account																																										
Beneficiary	<ul style="list-style-type: none"> Below are the options; <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3" style="text-align: center;">INDIVIDUAL COVER BENEFIT</th> </tr> <tr> <th>BENEFITS</th> <th>OPTION A</th> <th>OPTION B</th> </tr> </thead> <tbody> <tr> <td>Death</td> <td>100,000</td> <td>250,000</td> </tr> <tr> <td>PTD</td> <td>75,000</td> <td>200,000</td> </tr> <tr> <td>Medical</td> <td>50,000</td> <td>50,000</td> </tr> <tr> <td>Last Expense(M Only)</td> <td>50,000</td> <td>75,000</td> </tr> <tr> <td>Premiums per person</td> <td>631</td> <td>1,003</td> </tr> </tbody> </table> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3" style="text-align: center;">FAMILY COVER FOR MEMBER + SPOUSE + 4 CHILDREN</th> </tr> <tr> <th>BENEFITS</th> <th>OPTION C</th> <th>OPTION D</th> </tr> </thead> <tbody> <tr> <td>Death</td> <td>100,000</td> <td>250,000</td> </tr> <tr> <td>PTD</td> <td>75,000</td> <td>200,000</td> </tr> <tr> <td>Medical</td> <td>50,000</td> <td>50,000</td> </tr> <tr> <td>Last Expense(M+S+4)</td> <td>50,000</td> <td>75,000</td> </tr> <tr> <td>Premiums per family</td> <td>1,775</td> <td>2,885</td> </tr> </tbody> </table>	INDIVIDUAL COVER BENEFIT			BENEFITS	OPTION A	OPTION B	Death	100,000	250,000	PTD	75,000	200,000	Medical	50,000	50,000	Last Expense(M Only)	50,000	75,000	Premiums per person	631	1,003	FAMILY COVER FOR MEMBER + SPOUSE + 4 CHILDREN			BENEFITS	OPTION C	OPTION D	Death	100,000	250,000	PTD	75,000	200,000	Medical	50,000	50,000	Last Expense(M+S+4)	50,000	75,000	Premiums per family	1,775	2,885
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Premium	<ul style="list-style-type: none"> Between Kshs.631 and 2,885 annually. 																																										
Frequency of saving	<ul style="list-style-type: none"> Minimum weekly savings of kshs.100 for 52 weeks Lumpsum premium payment allowed 																																										
Effective date for the cover	<ul style="list-style-type: none"> There is no waiting period on accidental cases but there is a 3 months waiting period on natural causes and illness cases. 																																										
Access Requirements	<ul style="list-style-type: none"> Kenyan citizen 18 years and above National ID card 																																										
Product Advantages & Benefits	<ul style="list-style-type: none"> Death, Permanent Total Disability and Medical Benefits following an accident. Last expense benefit due to any cause of death with no waiting period on accidental cases. However, there is a 3 months waiting period on natural causes and illness cases. Premium financing option No account maintenance charge 																																										

Interest	5% p.a on minimum monthly balance
Minimum Operating Balance	Ksh 200
Withdrawal Frequency	Unlimited
Applicable Alternative Channels	<ul style="list-style-type: none"> • Mobile banking • Cheques • VISA Debit Card
Incentives	<ul style="list-style-type: none"> • Branch staff incentive of 10% for every Maisha account opened and full premium paid. (The staff gets 8% and BM/HOD 2%)
People	All Staff
Process	
Claims Processing Time	<ul style="list-style-type: none"> • Within 48 Hours for Last Expense • Within 5 days for Accidental claims subject to full documentation requirements met
Onboarding & Claims Procedure	<ul style="list-style-type: none"> • Fill the normal savings account opening form and indicate Maisha account • Accurately capture all the data for the principle account member for the individual option and all members of the family for the <u>family option</u> on the account opening form • In case of <ol style="list-style-type: none"> i) <u>Death: Burial/ Last Expense costs</u>:- Provide death notification to the branch manager and ask the next of kin to produce a burial permit ii) <u>Death Benefit</u>:-Provide death certificate and ID iii) <u>Permanent Total disability</u>: Medical reports iv) <u>Medical Cash/costs</u>: Original medical receipts <p>All applicable additional processing forms will be supplied to branches</p>

2. RISK

Depending on how you use the account, you may be charged any of the fees above, which will be directly deducted from your account. **NOTE** that while the common fees, charges and penalties are listed in the table above, there may be other fees, charges and penalties. This information is available in our pricing tariff guides found [here](#) and in any of our branches.

A2. PERSONAL SAVINGS ACCOUNTS PROGRAM

1. How we interact with you.

How to deposit money into your account: You can **generally** pay money into your account in any of the following ways:

Over the counter on any of our branches, inter account transfers, RTGS Standing instructions and through Mobile deposits. Some products may require specific ways to deposit funds in to your account. Please refer to the detailed description per product below.

How to take money out of your account: You can **generally** take money out of your account in any of the following ways:

Over the counter on any of our branches, ATM, inter account transfers and through mobile withdrawals. Some products may require specific ways to withdraw funds from your account. Please refer to the detailed description per product below.

Inactivity/dormancy: After 90 days of inactivity, an account will be considered inactive. You will need to request in writing to reactivate your account. After 180 days of account inactivity, the account is considered dormant. To reactivate, a fee may apply. See 5 (fees).

Tax implications: The current withholding tax will be debited from your account for interests earned on deposits while excise duty will be levied on all transactions done.

Account closure: You may close your account at any time. To close your account, request the bank in writing. If you close your account, there will be a charge for doing so and the account will be closed after 1 day. If this is a fixed deposit account, early termination may result in losing interest accrued.

How to complain: If you are dissatisfied with our services, we welcome you to communicate this to us via our Customer Experience Center on 0708111000 or at any Faulu branch near you. We will acknowledge receipt of your complaint and give you the timelines for the expected resolution of your complaint.

a) Hazina Junior Account

Hazina Junior Account	
Target Group	All under 18 years of age
Rationale	On the overall the minors and their parents are looking for a safe and stable place to keep their savings while expecting to access fun activities and grow in the knowledge managing money
Features and benefits	<ul style="list-style-type: none"> 1 Free bankers' cheque per quarter for payment of school fees

	<ul style="list-style-type: none"> • Free inter-account transfer
Purpose	<ul style="list-style-type: none"> • Accumulation of money to help young ones achieve their specific financial goals e.g. saving for Christmas, to pay fees, etc.
Account operations	<ul style="list-style-type: none"> • The account is opened and operated by the parent/guardian on behalf of the minor (person below 18yrs)
Account Opening Requirements	<ul style="list-style-type: none"> • Simple and easy to complete Account opening form and signature card • Original and copy of birth certificate or birth notification of the child (minor) • Original & ID copy of guardian or parent • Photo of guardian / parent • Photo of minor
Price and charges	
Min Operating Balance	<ul style="list-style-type: none"> • KES. 200
Deposit Policy	<ul style="list-style-type: none"> • Any amount any time using any channel of customer choice • No cash deposit charges below KES.100,000 per deposit (Coins Up to 1,000 coins)
Withdrawal Policy	<ul style="list-style-type: none"> • 1 free Quarterly withdrawal • Extra withdrawal cost is KES 150 per withdrawal over the counter
Dormancy	<ul style="list-style-type: none"> • KES. 200 charges on reactivation
Interest Earned	<ul style="list-style-type: none"> • Up to 4% P.A on balances above KES. 3,000 based on average balance per month
Ledger Fees	None
Over the Counter Withdrawal Fees	As per tariff guide
Account closing fees	<ul style="list-style-type: none"> • KES. 200/-
Special Savings Non- ATM ID card	<ul style="list-style-type: none"> • 50
Piggy/Home Bank	<ul style="list-style-type: none"> • KES. 500/-

b) Hazina Plus Account

Hazina Plus Account

Features and benefits	<ul style="list-style-type: none"> Minimum operating balance of KES. 200/- Competitive interests rates of up to 4.15% P.A on all balances Two free statements in a year on request One free withdrawal per quarter. Extra withdrawals will attract a fee of KES. 200 No monthly ledger fees No account maintenance fees No ledger fees Flexible – can deposit any amount Premium interest rates on your savings
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Rates

Hazina Plus Rates		1 -3	>3 - 6	>6-9	>9 - 12	>12-15	>15-18	>18-24	>24-36	>36
Min. (KES)	Max. (KES)									
5,000.00	50,000	1.00%	1.15%	1.300%	1.45%	1.65%	1.70%	1.85%	1.95%	2.00%
50,001.00	250,000	1.25%	1.50%	1.75%	1.95%	2.15%	2.35%	2.45%	2.60%	2.75%
250,001.00	500,000	1.50%	1.75%	1.95%	2.15%	2.35%	2.55%	2.85%	3.05%	3.15%
500,001.00	1,000,001	1.75%	2.25%	2.50%	2.75%	2.95%	3.15%	3.35%	3.50%	3.75%
>1000001		2.75%	2.95%	3.00%	3.25%	3.50%	3.75%	3.95%	4.05%	4.15%

Price (Fees / Charges)

Minimum Operating Balance	KES. 200
Ledger fees	Nil
Statement fees	As per tariff guide.
Withdrawal Over the Counter	KES.100 Up to KES. 500,000 0.2% Above KES. 500,000
Account Closing Fees	KES. 200/-
Cheque Fees	As per the tariff guide

2. RISK

Depending on how you use the account, you may be charged any of the fees above, which will be directly deducted from your account. **NOTE** that while the common fees, charges and penalties are listed in the table above, there may be other fees, charges and penalties. This information is available in our pricing tariff guides found [here](#) and in any of our branches.

A3. PERSONAL COLLATERAL ACCOUNTS PROGRAM

1. How we interact with you.

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Tax implications: The current withholding tax will be debited from your account for interests earned on deposits while excise duty will be levied on all transactions done.

Account closure: You may close your account at any time. To close your account, request the bank in writing. If you close your account, there will be a charge for doing so and the account will be closed after 1 day. If this is a fixed deposit account, early termination may result in losing interest accrued.

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Loan Security Fund (LSF) Account	
Target	Community Finance Groups (CFGs)
Purpose	Accumulation of money to facilitate credit access and eligibility to co guarantee
Account operations	The account is opened and operated by CFG customers as a saving avenue and prerequisite for co guarantee and credit access
Account Opening Requirements	Membership in a CFG
Price and charges	
Min Opening Balance	KES. 200
Deposit Policy	Any amount any time using any channel of customer choice

Withdrawal Policy	<ul style="list-style-type: none"> • No withdrawal until customer exit • Debits can be done as per the terms of co guarantee
Dormancy	Not Applicable
Account closing fees	N/A

2. RISK

Depending on how you use the account, you may be charged any of the fees above, which will be directly deducted from your account. **NOTE** that while the common fees, charges and penalties are listed in the table above, there may be other fees, charges and penalties. This information is available in our pricing tariff guides found [here](#) and in any of our branches.

A4. BUSINESS CURRENT ACCOUNTS PROGRAM

1. How we interact with you.

How to deposit money into your account: You can **generally** pay money into your account in any of the following ways: Over the counter on any of our branches, inter account transfers, RTGS Standing instructions and through Mobile deposits. Some products may require specific ways to deposit funds in to your account. Please refer to the detailed description per product below.

How to take money out of your account: You can **generally** take money out of your account in any of the following ways: Over the counter an any of our branches, ATM, inter account transfers and through mobile withdrawals. Some products may require specific ways to withdraw funds from your account. Please refer to the detailed description per product below.

Inactivity/dormancy: After 90 days of inactivity, an account will be considered inactive. You will need to request in writing to reactivate your account. After 180 days of account inactivity, the account is considered dormant. To reactivate, a fee may apply. See 5 (fees).

Tax implications: The current withholding tax will be debited from your account for interests earned on deposits while excise duty will be levied on all transactions done.

Account closure: You may close your account at any time. To close your account, request the bank in writing. If you close your account, there will be a charge for doing so and the account will be closed after 1 day. If this is a fixed deposit account, early termination may result in losing interest accrued.

How to complain: If you are dissatisfied with our services, we welcome you to communicate this to us via our Customer Experience Center on 0708111000 or at any Faulu branch near you. We will acknowledge receipt of your complaint and give you the timelines for the expected resolution of your complaint.

a) Faulu Business Multicurrency Account

Faulu Business Multicurrency Account	
Product Features	<ul style="list-style-type: none"> • Access to overdraft facility • Low entry amount of KES 2,000 • Easy account opening requirements • Access to cheque books • Access to business loans • Flexible deposits and withdrawal frequency • No maintenance fee • Free internal standing orders • Access to mobile banking services
Opening Balance	KES. 2,000 KES Equivalent for foreign currency
Currency	KES,USD,GBP,EUR,ZAR
Minimum Operating Balance	None
Over the counter withdrawal	Applicable as per the most current tariff guide & KES Equivalent for foreign currency
Cheque clearing	Applicable as per the most current tariff guide & KES Equivalent for foreign currency
Ledger Fees	None
Cheque leaf	Applicable as per the most current tariff guide & KES Equivalent for foreign currency
Deposit Policy	Unlimited Frequency & Amount
Withdrawal Policy	Unlimited Frequency & Amount
Dormancy Threshold	6 Months
Account closure fees	KES. 200 KES Equivalent for foreign currency
Account Statement Fees	Applicable as per the most current tariff guide & KES Equivalent for foreign currency

b) Faulu Chama Account

Faulu Chama Account			
Target	<ul style="list-style-type: none"> Investment groups, Table Banking groups, family chamas 		
Purpose	<ul style="list-style-type: none"> A transactional cum savings account that provides 'chamas' / investment groups with a convenient savings platform with access to affordable loans facilities 		
Product Features	<ul style="list-style-type: none"> Minimum of 5 members to no maximum Minimum operating balance of KES. 2,000 Competitive interest rates of up to 5% p.a. Access to Chama loans Individual members can access loan facilities Easy access to your money through multiple service outlets across the country 		
Price(fees/charges)			
Opening balance	KES. 2,000		
Minimum operating balance	KES. 2,000		
Over the counter withdrawals	<ul style="list-style-type: none"> Up to KES. 500,000 - KES. 100 Over KES. 500,000 - 0.2% of withdrawal amount 		
Ledger fees	None		
Interest earning	Min.	Max.	Interest Rate P.A
	10,000	100,000	2.50%
	100,001	500,000	3.00%
	500,001	1,000,000	3.50%
	Above 1 M		5.00%
SMS alerts	KES. 5		
ATM withdrawal fees	Applicable as per tariff guide		

c) Imani Multicurrency Account

Imani Multicurrency Account				
Target Market	<ul style="list-style-type: none"> • Churches • Para-church organizations like church ministries 			
Market need/Purpose	<ul style="list-style-type: none"> • Flexible banking arrangements and hours • Cash Management Solutions • Easy payment solutions 			
Features and Benefits	<ul style="list-style-type: none"> • Competitive Interest earning current account • Internet banking • Access to competitive Fixed deposit rates • Access to Salary processing • 1st free 25 leaves cheque book 			
Price(Charges and Fees)				
Minimum operating balance	KES. 5,000 KES equivalent for foreign currency			
Currency	KES,USD,GBP,EUR,ZAR			
Account Opening Amount	KES. 10,000			
Interest earning for KES only	Min.	Max.	Interest Rate P.A	
	10,000	100,000	2.50%	
	100,001	500,000	3.00%	
	500,001	1,000,000	3.50%	
	Above 1 M		5.00%	
Interest earning balance	KES.10,000			
Withdrawal policy	As per mandate			
ATM card policy	No Debit Card			
Monthly ledger fees	None			
Internet and Mobile Banking	Mobile banking (Pay bill Business Number 328585)			
Ledger fees	None			
Account Statement fees	As per tariff guide			
Deposits(Cash/Cheque)	Free			
Withdrawal Over the Counter	Free			
Inter account transfers(Within)	Free inter account movement within Faulu			

Account Closing Fees	KES. 200/- KES equivalent for foreign currency
Cheques	As per tariff guide for subsequent cheque book

d) Faulu Investment Account

Faulu Investment Account		
Target	Insurance companies, fund managers, insurance brokers, investment banks, stock brokers, Small Banks, MFIs, SACCOS	
Purpose	Transactional business Liquidity management solution Quick TAT on financial services Reciprocating business i.e. Brokerage business for treasury bills, bonds and shares	
Product features and benefits	High yield returns Dedicated relationship management Quick TAT e.g. web based	
Price (Charges and Fees)		
Minimum operating balance	KES 1,000	
Interest rates	Faulu investment account rates (P.A)	
	<i>Tier in KES.</i>	
	20,000 - 99,999	3.00%
	100,000 - 499,999	4.00%
	500,000 - 999,999	5.00%
	1,000,000 - 10,000,000	8.00%
10,000,001 and above	Negotiable to a max of 10.00%	
Minimum interest earning amount	KES. 20,000	
Withdrawal policy	No limits	
ATM card policy	Not applicable	
Monthly ledger fees	Nil	
Account Closure fee	KES. 1,000	
Statement fees	Monthly soft copy emailed to account signatories/or their appointee	

e) **Faulu Rent Collection Account**

Faulu Rent Collection Account	
Target	<ul style="list-style-type: none"> • Real estate agents, • Middle and lower tier agents
Market need	<ul style="list-style-type: none"> • Convenient rent collection solution • Instant evidence of payment • Bridging finance • Instant rent transfers to landlords
Product Benefits	<ul style="list-style-type: none"> • Access to overdraft facility • A payment reconciliation solution to the agent
Product Features	<ul style="list-style-type: none"> • Unlimited withdrawals • 2 Free statements annually on request • No monthly ledger fees • No account maintenance fees
Price (Fees / Charges)	
Minimum Operating Balance	KES. 2,000
Ledger fees	Nil
Interest	Interest of up to 5% p.a on average balances above Ksh. 2M
Statement fees	Free half yearly statements
Withdrawal Over the Counter	KES 100 Up to KES 500,000 0.2% Above KES 500,000
Withdrawal at ATM	Applicable as per tariff guide

f) School Collection Account

School Collection Account	
Target	Schools and colleges-Universities ,primary ,secondary , polytechnics
Purpose	Collection of fees. Easy and transparent accounting of collections
Product Benefits/Customer value proposition	<ul style="list-style-type: none"> • Remitting of payment to suppliers.[Food ,KPLCs, Bookstores] • Finance buying equipment [Kitchen and Lab] • Establish a fully integrated Paybill option. Alerting the Parent and the receiving school • Convenience, saving on personnel cost. Funds security, effective revenue collection • Capture of key student details for ease of reconciliation e.g. admission number
Account Opening Requirements	Resolution by governing body, Gazette notices.
For Individuals/signatories	NID/Passport and Pin certificate
Product Features	<ul style="list-style-type: none"> • Access to cheque book • Access to overdrafts • Flexible deposits and withdrawal frequency • Low entry amount of KES. 2,000 including a cheque book 50 leaves • Access to mobile banking services
Opening Balance	KES. 2,000.00
Minimum operating balance	Nil
Monthly ledger fees	Nil
Inter account transfers	Free inter account movement within Faulu
Withdrawal Over the Counter	KES. 100 Up to KES500,000 0.2% Above KES. 500,000

g) Government collection Account

Government Collection Account	
Target	County, Parastatals, CDFs, County Sacco, Water and sanitation Companies Project Groups.
Purpose	<ul style="list-style-type: none"> To facilitate easy and convenient collection of fees rates bills, levies, taxes, loading zone parking fees Management of scheme funds
Product Benefits/Customer value proposition	<ul style="list-style-type: none"> Collection of fees, rates, bills, levies & taxes Fully manage collection by the way of establishing agency services in county office with Faulu staff Remitting of payment to pay salaries and suppliers. Establish a fully integrated Pay bill option. Alerting the payer and the receiving target company [Water, KPLC] Convenience, saving on personal cost. Funds security, efficient revenue collection Debit card for fueling government vehicles
Account Opening Requirements	Resolution by governing body, Gazette notices.
For Individuals/signatories	NID/Passport and Pin certificate
Opening Balance	KES. 2,000
Minimum operating balance	Nil
ATM card policy	Not eligible for debit card
Ledger fees	None
Withdrawal Over the Counter	KES. 100 Up to KES. 500,000 0.2% Above KES. 500,000
Inter account transfers (Within)	Free
Account Closing Fees	KES. 500
Cheque clearing Fees	Free Cheque book charges at 15/- per leaf Stop Payment charges – 500/- Unpaid cheque charges – refer to drawer – KES 1,000/-

h) Distributors Account

Distributors Account	
Target	Industry Players in Established Fast Moving Consumer Goods Market : Beer Distributors, Soda Distributors ,Oil Distributors Milk Distributors ,Cement Distributors etc.
Purpose	Address working capital needs to smoothen business flow from manufacturers to retailers
Account Opening Requirements	
	<ul style="list-style-type: none"> Memorandum & Articles of Association Certificate of Incorporation National ID/Passport Passport size photograph Specimen signature card
Price(Fees and Charges)	
Minimum operating balance	None
Account Opening Amount	KES. 5,000
Interest rate	Overdraft interest rates apply
Withdrawal policy	Unlimited
ATM card policy	Eligible for Visa Debit Card
Monthly ledger fees	NIL
Overdraft	Applicable as per marked limit
Mobile Banking	Mobile banking (Pay bill Business Number 328585)
Ledger fees	Nil
Statement fees	KES 50 per page Free online statement
Withdrawal Over the Counter	KES. 100 for amounts Up to KES. 500,000 0.2% for KES. 500,001s and Above
Inter account transfers(Within)	Free
Account Closing Fees	KES 1,000
Inward Cheque clearing Fees	As per tariff guide

i) Business Premier Account

Business Premier Account															
Target Market	Registered Business customers who are willing and able to pay for premium services														
Purpose	<ul style="list-style-type: none"> • Forex • Payment solutions • Project management solution • Private/privileged banking 														
Features and benefits	<ul style="list-style-type: none"> • Interest earning current account • Foreign currency account 														
Price(Charges and Fees)															
Currency	KES,USD,GBP,EUR,ZAR														
Minimum operating balance	None KES. 5,000 KES equivalent for foreign currency														
Account Opening Amount	KES. 2,000														
Interest rate	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Business Premier Account return rates (P.A)</th> </tr> <tr> <th style="text-align: left;"><i>Tier in KES.</i></th> <th></th> </tr> </thead> <tbody> <tr> <td>10,000 - 99,999</td> <td style="text-align: center;">3.00%</td> </tr> <tr> <td>100,000 - 499,999</td> <td style="text-align: center;">4.00%</td> </tr> <tr> <td>500,000 - 999,999</td> <td style="text-align: center;">5.00%</td> </tr> <tr> <td>1,000,000 - 10,000,000</td> <td style="text-align: center;">8.00%</td> </tr> <tr> <td>10,000,001 and above</td> <td style="text-align: center;">Negotiable to a max of 10.00%</td> </tr> </tbody> </table>	Business Premier Account return rates (P.A)		<i>Tier in KES.</i>		10,000 - 99,999	3.00%	100,000 - 499,999	4.00%	500,000 - 999,999	5.00%	1,000,000 - 10,000,000	8.00%	10,000,001 and above	Negotiable to a max of 10.00%
Business Premier Account return rates (P.A)															
<i>Tier in KES.</i>															
10,000 - 99,999	3.00%														
100,000 - 499,999	4.00%														
500,000 - 999,999	5.00%														
1,000,000 - 10,000,000	8.00%														
10,000,001 and above	Negotiable to a max of 10.00%														
Minimum interest earning amount	KES 10,000														
Withdrawal policy	KES. 50 Up to KES. 500,000 0.2% Above KES. 500,000														
ATM card policy	Eligible for Visa Debit Card														
Monthly ledger fees	KES.1,000 KES equivalent for foreign currency														
Internet and Mobile Banking	Eligible for Mobile and internet banking														

j) Group Welfare Account

Group Welfare Account	
Target Market	Community Finance Groups
Purpose	Transactional account and a saving avenue for group welfare activities and settlement of group commitments
Features and benefits	<ul style="list-style-type: none"> • Access to cheque book • Unlimited withdrawals
Price (Charges and Fees)	
Minimum Operating Balance	KES. 200
Withdrawal policy	KES. 50 Up to KES. 500,000 0.2% Above KES. 500,000
ATM card policy	Not eligible for Visa Debit Card
Monthly ledger fees	Nil
Internet and Mobile Banking	Not eligible for Mobile and internet banking

1. RISK

Depending on how you use the account, you may be charged any of the fees above, which will be directly deducted from your account. **NOTE** that while the common fees, charges and penalties are listed in the table above, there may be other fees, charges and penalties. This information is available in our pricing tariff guides found [here](#) and in any of our branches.

A5. TERM ACCOUNTS PROGRAM

1. How we interact with you.

How to deposit money into your account: You can **generally** pay money into your account in any of the following ways: Over the counter on any of our branches, inter account transfers, RTGS Standing instructions and through Mobile deposits. Some products may require specific ways to deposit funds in to your account. Please refer to the detailed description per product below.

How to take money out of your account: You can **generally** take money out of your account in any of the following ways: Over the counter at any of our branches, ATM, inter account transfers and through mobile withdrawals. Some products may require specific ways to withdraw funds from your account. Please refer to the detailed description per product below.

Inactivity/dormancy: After 90 days of inactivity, an account will be considered inactive. You will need to request in writing to reactivate your account. After 180 days of account inactivity, the account is considered dormant. To reactivate, a fee may apply. See 5 (fees).

Tax implications: The current withholding tax will be debited from your account for interests earned on deposits while excise duty will be levied on all transactions done.

Account closure: You may close your account at any time. To close your account, request the bank in writing. If you close your account, there will be a charge for doing so and the account will be closed after 1 day. If this is a fixed deposit account, early termination may result in losing interest accrued.

How to complain: If you are dissatisfied with our services, we welcome you to communicate this to us via our Customer Experience Center on 0708111000 or at any Faulu branch near you. We will acknowledge receipt of your complaint and give you the timelines for the expected resolution of your complaint.

a) AA Deposit - Faida Fixed Deposit Account

Faulu Faida Fixed Deposit Account					
1. Product Features					
<ul style="list-style-type: none"> • Minimum Opening Amount: KES. 5,000 • Fixed Deposit Term: Min - 1 month, Max - 36 months • Interest accrued on maturity of term of deposit 					
Tiers In KES	Call Rate	1- 2 Months	3 -6 Months	7 - 12 Months	13 Months & Above
Below 1,000,000	5.50%	6.00%	6.50%	7.00%	7.50%
1,000,000 - 9,999,999	6.00%	8.00%	8.50%	9.00%	9.00%
10,000,000 & Above	7.50%	9.50%	10.00%	10.00%	10.00%
2. Price (Fees / Charges)					
Account opening fees			None		
Withholding Tax			15% of interest accrued.		
RTGS/Banker's Cheque			Free		

Penalties	100% interest forfeiture if deposit is uplifted before end of term.
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b) Money Market - Call Contract

Call Deposit Account	
3. Product Features	
<ul style="list-style-type: none"> Minimum Opening Amount: KES. 5,000 	
Tiers In KES	Call Rate
Below 1,000,000	5.50%
1,000,000 - 9,999,999	6.00%
10,000,000 & Above	7.50%
4. Price (Fees / Charges)	
Account opening fees	None
Withholding Tax	15% of interest accrued.

c) Money Market - Notice Contract Faida plus

Faida Plus Account								
Product features and benefits								
<ul style="list-style-type: none"> Minimum Opening balance of KES. 5,000 Term - Min - 6 Months, Max 24 months Interest capitalized on maturity of term of deposit Access to interest of up to 10% P.A on deposits and affordable cash covered loans within a 2 year plan 								
Interest earning rates								
Amount	6 M	>6 - 9	>9 - 12	>12 - 15	>15-18	>18 - 21	>21 - 24	
Up to 100,000	4.50%	5.00%	5.25%	5.50%	5.75%	6.00%	6.25%	
Kshs 100,001- Ksh 500,000	6.50%	6.75%	7.00%	7.25%	7.50%	7.75%	8.00%	
Ksh 500,001- 10,000,000	8.00%	8.00%	8.25%	8.50%	8.75%	9.00%	9.25%	
Above 10 million	8.75%	9.00%	9.25%	9.50%	9.75%	10.00%	10.25%	
Price (Fees / Charges)								

Account opening fees	None
Withdrawal Policy	Upon maturity
Penalties	100% interest forfeiture if deposit is uplifted before end of term

d) Lengo Account

Lengo Account										
Product Features										
<ul style="list-style-type: none"> • Minimum opening balance of KES.1,000 • Minimum savings plan of 3 months and up to a maximum of 10 years • Minimum monthly deposit of KES.100 • 1 Free Banker's cheque per contract • Free inter account transfers 										
Deposit policy										
<ul style="list-style-type: none"> • Minimum contract period – 3 months • Maximum contract period- 10 years • Min. monthly deposit – KES.100/- • No. of deposits dependent on contractual amount and client's ability • Saving more than contract amount is allowed but withdrawal policy holds i.e. no withdrawal 										
Withdrawal policy										
<ul style="list-style-type: none"> • Withdrawal on maturity • Premature withdrawal to be discouraged. May however be allowed but with penalty. <i>see penalty section</i> • Can roll over/renew the contract upon maturity • Renewal instructions to be given 1 month before contract expiry 										
Interest accrued on minimum monthly balance and paid on maturity at 1%p.a- 6 % P.A on a tiered scale										
Lengo Interest Rates										
Amount		1 to 3	>3 - 6	>6-9	>9 - 12	>12-15	>15-18	>18-24	>24-36	>36
5,000	50,000	2.00%	2.25%	2.50%	2.75%	2.95%	3.00%	3.15%	3.30%	3.45%
50,001	250,000	2.75%	2.95%	3.05%	3.15%	3.30%	3.45%	3.75%	3.95%	4.05%
250,001	500,000	3.15%	3.25%	3.50%	3.75%	4.00%	4.15%	4.25%	4.40%	4.55%

500,001	1,000,000	4.50%	4.75%	4.00%	4.15%	4.25%	4.50%	4.75%	5.00%	5.25
>1,000,000		4.15%	4.25%	4.50%	4.75%	5.00%	5.25%	5.50%	5.75%	6.00%

1. Price (Fees / Charges)

Penalties	Penalty for breaking contract – 100% interest forfeiture if breaking within first half of contract. Forfeiture prorated for second half of contract.
Account Closing Fees	Nil
Minimum Opening Balance	1,000
Ledger fees	None
Withdrawal	Only upon maturity of contract or premature termination

1. RISK

Depending on how you use the account, you may be charged any of the fees above, which will be directly deducted from your account.

NOTE that while the common fees, charges and penalties are listed in the table above, there may be other fees, charges and penalties. This information is available in our pricing tariff guides found [here](#) and in any of our branches.

B. ASSETS/LOANS AND ADVANCES

B1. PERSONAL SEGMENT

B1.1. CONSUMER/SALARY BACKED-LOANS PROGRAM

Pre-Contractual Explanation

What is a 'Personal Loan'?

A personal loan from Faulu Bank is a loan for a fixed amount, repayable over a fixed period with interest charged at a fixed rate. The duration or term of the loan will depend on what is agreed at the time the loan is made but is generally for a short or medium term. The loan is unsecured which means that Faulu Bank will not take a charge over your property when you take out the loan.

Put Simply

It's a fixed sum of money borrowed from us which is repaid in equal, fixed, monthly instalments over an agreed term. As long as you don't miss any payments the loan is fully repaid at the end of the loan term and is not secured against your home.

What checks do you need to do for me to get a personal loan with Faulu Bank?

If you wish to apply for a loan then we will conduct a search of your credit history with a credit reference agency. This will leave a record on your credit file. We may decline your application if you provide us with any false information as part of your application, or if there are issues with your credit score when we check your details with a credit reference agency. We will give you details of the agency that we used to inform our decision so you may contact them.

For more information, product specific leaflets are available on request.

Put Simply

If you apply for a personal loan we will conduct a credit check on you. It's very important to provide accurate information in your application – we might decline your application based on the results of your credit check, or if you have provided false information.

What are the consequences if I do not keep up with repayments?

If you miss a loan payment, we will record the details with a credit reference agency which could damage your credit rating and may make it more difficult for you to obtain credit in the future. Also, failure to make your loan payments when they fall due may result in legal proceedings being taken against you by Faulu Bank, which may result in us taking enforcement action against you in order to recover the monies that are owed. If you have any current or savings account with Faulu Bank, we may move funds from those accounts to settle any outstanding payments on your loan.

If you don't make your repayments and incur significant arrears, we may decide to take legal proceedings against you, or sell or transfer your loan to a debt recovery company. That company may commence legal proceedings against you that may result in enforcement action being taken against your property for recovery of the monies owed.

Put Simply

If you miss a repayment, we can deduct the missed payment and interest from your other accounts with us. We will also record details with a credit reference agency which could damage your credit rating.

If you miss multiple repayments, your credit rating can be damaged, and you might have legal proceedings brought against you.

In the very worst case, your debt may be secured against your house or your debt may be transferred to a debt management company.

To avoid getting into this situation, please contact us if you are having difficulties in making your repayments.

How much do I have to pay under the agreement?

You will need to make repayments every month by Direct Debit which include principal (the original loan amount) and interest over the duration of the loan. The monthly repayments will be for the same amount every month until the loan is fully repaid. Details of

the amount you have to pay (both monthly and in total, including all interest) including the frequency and number of repayments, and the duration of the loan are contained in your credit agreement. Each year, on the anniversary of your loan opening, you will receive a loan statement confirming details of repayments made.

Put Simply

You pay a fixed amount each month by Direct Debit (made up of the original loan amount and the interest charged). Your credit agreement will detail how much you pay (in total and each month), and when the repayments will be due. We will send you an annual statement confirming repayments made.

Are there any features of the agreement which may operate in a manner which may adversely affect me?

Before signing your Personal Loan credit agreement, you should read all the pre-contractual information and the credit agreement provided to you carefully to ensure that this is the best product for you and that you understand the features of this product.

If you don't make your repayments and incur significant arrears we may decide to sell or transfer your loan to a debt recovery company.

Put Simply

You should read all documentation provided to you and consider the information carefully before taking out a Personal Loan to make sure that it is right for you.

Your Right to Cancel

You have 14 days to change your mind from the date that you sign the agreement. If you exercise the right to withdraw from the agreement you must repay any monies we have advanced to you within 30 days from the date that you notified us of your intention to cancel.

You may contact us by writing to:

Faulu Microfinance Bank

Ngong lane, off Ngong road

PO Box 60240-00200,

Nairobi, Kenya or calling 0711074000 to notify us of your intention to withdraw.

Put Simply

You can change your mind up to 14 days after you sign. If you do this, you must repay anything you owe.

Can I repay my personal loan early?

If you wish to repay your Personal Loan early in full, you will be required to repay the balance remaining of the original loan amount, but you will not be required to pay all of the interest due over the remainder of the agreement.

You may repay your loan early by first making a settlement request. We will calculate your settlement date and the amount you must repay and send you a settlement statement. We will charge interest up to the date of settlement. We may make an additional charge on settlement of an extra 30 days interest.

Put Simply

You may repay the loan in full or in part at any time before the final payment is due. Details of how to do this are in your agreement.

A personal loan is designed for borrowing a fixed amount of money over the full term of the loan, however it can be repaid early if you wish. When you make a partial repayment, we will reduce the term of your loan. Alternatively, you could choose to reduce your monthly repayment amount and maintain your original loan term.

a) Faulu Corporate Check-off Loan

Faulu Corporate Check-off Loan	
Purpose	Personal development
Target	Private companies
Loan Term	Up to 84 months exclusive of grace period
Security	<ul style="list-style-type: none"> • Monthly check-off by the Corporate • 2 Guarantors who must be from the same employer • Net income after loan deduction must not be less than 1/3 of total net income gross/basic salary • Tangible collateral (Log book, Title deeds, shares, etc.) as specified in the respective MOUs • As per the approved Credit Sanction Sheet
Repayment frequency	Monthly
Grace period	Up to 2 months
Access Requirements	<ul style="list-style-type: none"> • Duly signed legally binding MOU between the bank and the corporate entity • 3 original certified current months' payslips, • Certified Applicant's National ID copy in A4 size • Certified of applicant staff ID in A4 size • Loan app. Duly filled and signed, • Either 2 guarantors(Copies of 2 guarantor IDs,) or Salary Switch(Irrevocable instruction of continued salary remittance until clearance of a loan signed by the employer • (*Conditional requirement applies to schemes that must provide guarantors) • 1/3 rule form filled and certified by employer • Verification of form duly filled and by Supervisor in presence of Faulu staff at the work station • 2 certified passport size photos • Where security is called for , the same need to be perfected • Clients of suspension/interdiction cannot access
Interest Rate	<ul style="list-style-type: none"> • 20.53% p.a RB • 1% Discount for customers whose salary pay point is the bank
Benefits	<ul style="list-style-type: none"> • Free Last Expense Cover for the borrower • Free Retrenchment Cover of up to 3 months loan instalments
Other fees	<ul style="list-style-type: none"> • LSUF 3% of loan (One off) • Credit Life 0.6% p.a. of the loan • Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months • All fees netted off from the loan amount
Top up feature	<ul style="list-style-type: none"> • Subsequent to 6 months repayment of the existent facility devoid of arrears • Discount of 2% for Tops-ups and Repeat Customers on the prevailing MOU rate

Late Payment Penalties	18% over loan interest charged on installment
Disbursement mode	Customer's Savings/Transactional Faulu account
Application to disbursement time	24 hours for Loan Approval subject to verification of all documents

b) Faulu Unsecured Salary Loan

Faulu Unsecured Salary Advance	
Target Client	Salaried customers
Loan Limits	A maximum of 5 times the net salary subject to a maximum of 100,000
Loan Purpose	Emergency
Loan Term	3 – 12 Months
Security/ Collateral	Employer's irrevocable letter of commitment for remitting the salary, bonuses, etc. to Faulu Microfinance Bank.
Repayment Periodicity	Monthly Automated Standing Orders from Faulu Salary Account to Loan Account
Grace Period	None
Access Requirements	<ul style="list-style-type: none"> • Faulu Salary A/c - at least 3 months consecutive salary remittances • Employer confirmation of employment terms & commitment to remit the salaries to Faulu Microfinance Bank • 3 current original Pay slips (where applicable) • Original ID/PP, duly filled advance application form
Interest Rate	34.22% RB per annum
Other Fees	Loan Set Up Fee (LSUF) -3% % Min KES .300 Credit Life 0.6% p.a. of the loan
Benefits	<ul style="list-style-type: none"> • A free Last Expense cover for the borrower • Free Retrenchment Cover of up to 3 months loan instalments
Top-up feature	After 50% Repayments
Processing Time	24 hours from approval time
Disbursement	Employee Hazina Account /Personal account/Salary Account
Penalties	Charged at interest rate on the monthly installment

c) Imara Loan

Imara Loan	
Purpose	Personal development
Target	Salaried Employees including Teachers (TSC), Civil servants, parastatals, and disciplined forces.
Loan Size	Min. of KES. 10,000 and Max of KES. 3,000,000
Loan Term	<ul style="list-style-type: none"> Up to 84 months exclusive of grace period
Security	<ul style="list-style-type: none"> Monthly check-off by the Ministry 2 Guarantors who must be from the same ministry Net income after loan deduction must not be less than 1/3 of total net income gross/basic salary Staff on probation can access not more than KES.100,000
Repayment frequency	Monthly
Grace period	<ul style="list-style-type: none"> Up to 2 months
Access Requirements	<ul style="list-style-type: none"> 3 original certified current months' payslips, Certified Applicant's National ID copy in A4 size Certified of applicant staff ID in A4 size Loan app. Duly filled and signed, Either 2 guarantors(Copies of 2 guarantor IDs,) or Salary Switch(Irrevocable instruction of continued salary remittance until clearance of a loan signed by the employer <i>(*Conditional requirement applies to schemes that must provide guarantors)</i> 1/3 rule form filled and certified by employer Verification of form duly filled and by Supervisor in presence of Faulu staff at the work station 2 certified passport size photos Where security is called for ,the same need to be perfected Clients of suspension/interdiction cannot access
Interest Rate	<ul style="list-style-type: none"> 20.53% p.a RB
Benefits	<ul style="list-style-type: none"> Free Last Expense Cover for the borrower Free Retrenchment Cover of up to 3 months loan instalments
Other fees	<ul style="list-style-type: none"> Processing fees:3% of loan, (One off), 1% Discount on Setup fee for new and existing customers on upon Salary switch(one-off) Credit Life Insurance: 0.6% p.a. of the Principal Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months Retrenchment cover equivalent to 3 months installments subject to a maximum of KES. 100,000 All fees netted off from the loan amount
Top up feature	Subsequent to 6 months repayment of the existent facility devoid of arrears
Late Payment Penalties	18% over loan interest charged on installment

Disbursement mode	Customer's Savings/Transactional Faulu account
Application to disbursement time	24 hours for Loan Approval subject to verification of all documents

d) Imara Plus

Imara/Check-off plus	
Purpose	Personal development
Target	Salaried Employees including Teachers (TSC), Civil servants, parastatals, and disciplined forces.
Loan Size	Min. of KES. 10,000 and Max of KES. 500,000
Loan Term	<ul style="list-style-type: none"> Up to 60 months
Security	<ul style="list-style-type: none"> Monthly check-off by the Ministry Net income after loan deduction must not be less than 1/3 of total net income gross/basic salary Staff on probation can access not more than KES. 100,000 Total loan balance for the two loans should not exceed the maximum loan limit for the product.
Repayment frequency	Monthly
Grace period	<ul style="list-style-type: none"> Up to 2 months
Access Requirements	<ul style="list-style-type: none"> 3 original certified current months' payslips, Certified Applicant's National ID copy in A4 size Certified of applicant staff ID in A4 size Loan app. Duly filled and signed, Either 2 guarantors (Copies of 2 guarantor IDs,) or Salary Switch (Irrevocable instruction of continued salary remittance until clearance of a loan signed by the employer <i>(*Conditional requirement applies to schemes that must provide guarantors)</i>) 1/3 rule form filled and certified by employer Verification of form duly filled and by Supervisor in presence of Faulu staff at the work station 2 certified passport size photos Where security is called for, the same need to be perfected Clients of suspension/interdiction cannot access
Interest Rate	<ul style="list-style-type: none"> 22 % p.a RB

e) Emergency Check-off

Emergency Check Off	
Purpose	Emergency
Loan Amount	<ul style="list-style-type: none"> • Minimum – KES. 10,000 • Maximum - KES. 200,000
Term	<ul style="list-style-type: none"> • A maximum of 36 months
Security	<ul style="list-style-type: none"> • Monthly check-off by the institution • Duly executed MOU • 2 Guarantors who must be from the same institution • Net income after loan deduction must not be less than 1/3 of total net income gross/basic salary • Staff on probation can access not more than KES.100,000
Repayment frequency	Monthly
Grace period	None
Access Requirements.	<ul style="list-style-type: none"> • 2 Guarantors who must be from the same institution • Net income after loan deduction must not be less than 1/3 of total net income gross/basic salary • Have Faulu as the pay point at least 3 months prior to loan application • Signed irrevocable undertaking not to alter pay point without Faulu's consent • 3 original certified current months' pay slips, • Certified Applicant's National ID copy in A4 size • Certified of applicant staff ID in A4 size • Loan app. Duly filled and signed, • Copies of 2 guarantor IDs, • 1/3 rule form filled and certified by employer • Verification of form duly filled and by Supervisor in presence of Faulu staff at the work station • 2 certified passport size photos • Where security is called for , the same need to be perfected • Clients of suspension/interdiction cannot access
Interest Rate	41.06% RB per annum
Other fees	<ul style="list-style-type: none"> • LSUF - 3% • Credit life – 0.6% • Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months • All fees netted off from the loan amount
Late Payment Penalties	6 % over loan interest charged on instalment
People	Branch Staff

f) Check Off Asset Finance (ACF)

Check Off Asset Finance (ACF)	
Target	TSC, Civil Servants, Parastatals and private companies
Loan Amount	<ul style="list-style-type: none"> • Minimum – KES. 10,000 • Maximum - KES. 3 M Up to 115% financing
Purpose	Asset Financing
Term	A maximum of 60 months
Security	<ul style="list-style-type: none"> • Monthly check-off by the institution • Duly executed MOU • 2 Guarantors who must be from the same institution • Net income after loan deduction must not be less than 1/3 of total net income gross/basic salary • Staff on probation can access not more than KES.100,000
Repayment frequency	Monthly
Grace period	None
Access Requirements.	<ul style="list-style-type: none"> • 2 Guarantors who must be from the same institution • Net income after loan deduction must not be less than 1/3 of total net income gross/basic salary • Have Faulu as the pay point at least 3 months prior to loan application • Signed irrevocable undertaking not to alter pay point without Faulu's consent • 3 original certified current months' pay slips, • Certified Applicant's National ID copy in A4 size • Certified of applicant staff ID in A4 size • Loan app. Duly filled and signed, • Copies of 2 guarantor IDs, • 1/3 rule form filled and certified by employer • Verification of form duly filled and by Supervisor in presence of Faulu staff at the work station • 2 certified passport size photos • Where security is called for , the same need to be perfected • Clients of suspension/interdiction cannot access
Interest Rate	20.53% P.A RB (Both new and old assets)
Other fees	<ul style="list-style-type: none"> • LSUF - 3% • Credit life – 0.6% • Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months • All fees netted off from the loan amount
Processing period	24 hours
Late Payment Penalties	18% over loan interest charged on instalment

Check Off Asset Finance (ACF)	
People	Branch Staff
Process	<ul style="list-style-type: none"> • Loan processing starts at the branch • Customer delivers form at the branch with all the required documentation • BCC approves • CSO scans the forms to credit while noting them on the leads systems • The forms are sent to credit by an overnight mail • Credit staff commences the process while awaiting the physical forms • Physical verification is done
Disbursement	Customer's Savings/Transactional Faulu account subsequent to written instructions to instant debit of the customer account to credit the identified supplier account/internal GL as applicable

g) Tamba Imara Loan

Tamba Imara	
Target	Salaried people working with Institutions where Faulu doesn't have an MOU and the employer is not keen of signing an MOU e.g. NGOs, Local and International Agencies etc.
Loan Size	Up to KES. 5,000,000
Purpose	To finance the client to acquire Land and Vehicles
Benefits	<ul style="list-style-type: none"> • Free Last Expense Cover for the borrower • Free Retrenchment Cover of up to 3 months loan instalments • Asset and property Finance up to 100%
Loan Term	Up to 84 months or Remaining contact period or Term to retirement whichever is lower.
Security	<ul style="list-style-type: none"> • The Motor Vehicle or Land being financed or any other Title deed or Logbooks • Letter of Irrevocable authority to the employer to remit salary through Faulu Salary account for the loan period signed by the borrower • An Undertaking by the Employer to remit the Salary through Faulu and not change Pay point during the Loan Period.
Repayment frequency	Monthly through automated standing orders from Faulu Salary Ac to Loan Ac
Grace period	None
Access Requirements	<ul style="list-style-type: none"> • 0 months waiting period subject to – irrevocable instructions of continued salary remittance until the loan is cleared signed by the employer • Current Three months' Pay-slip. • The borrower must be confirmed in employment • Copy of Employment Contract or appointment letter • Client to retain 1/3 of the pay after Loan deduction
Interest Rate	20.53% RB

Other fees	<ul style="list-style-type: none"> • LSUF:3% of loan, (One off) • Credit Life Insurance: 0.6% p.a. of the loan • Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months • All fees netted off from the loan amount
Top up feature	After 50% repayment
Late Payment Penalties	As per tariff guide
Application to Approval time	24 hours subject to approval

h) Okoa Mteja Temporary Overdraft

<i>Okoa Mteja Temporary Overdraft</i>	
Target Client	Salaried customers
Loan Size	30% of Net Salary, whichever is higher
Loan Purpose	Emergency
Loan Term	30 Days (Maximum)
Security/Collateral	Monthly Salary remittance
Feature	Mobile phone based and pre-qualified
Repayment Periodicity	Once in lump sum
Grace Period	None
Access Requirements	Salary A/c with Faulu with at least 3 months consecutive salary remittances Original ID/PP, duly filled TOD application form
Interest Rate	20.5% reducing balance
Commission	10% upfront one off subject to a minimum of KES 200
Processing Time	Instant –Phone based application and Disbursement
Top-up feature	None
Processing Time	Instant
Disbursement	Customers Salary account, Hazina or Personal accounts
Penalties	Charged at interest rate on the monthly installment

Statement of Lender and Borrower Responsibilities

Our lending commitments

As a lender, we have a responsibility to act fairly and as part of this we have committed to follow the Standards of Lending Practice which are monitored and enforced by the Central Bank of Kenya (CBK)

This note sets out some of our key responsibilities and what we ask of you, to ensure that the relationship works well for both of us.

- We will lend responsibly and aim to provide a product that is affordable for you
- We will provide you with information about our products and services and how they work, in a clear and understandable way, so that you can decide what's best for you and your needs
- We will endeavour to make sure our products and services offer, wherever possible, the flexibility to meet your needs
- We will always treat you fairly and reasonably and make sure that you are provided with a high level of service
- If you tell us about any inaccuracies, for example around the personal information we hold about you, we will act quickly to put it right
- We will always aim to help you if we see, or you tell us, that you are having trouble financially. We will seek to understand your overall circumstances, try and identify options that you can afford and where appropriate, provide a reference to free debt advice.

What we ask of you

- We ask you to think carefully about whether you can afford to repay the money you want to borrow and to be open in your dealings with us
- Take care of any cards, PINs, online log-in details and other security information to help prevent fraud and help us to protect your account
- Tell us as soon as possible if your card has been lost or stolen, or if you know or suspect someone is misusing your confidential information e.g. your PIN or online/mobile banking login details
- Carefully check your account statements to make sure they are accurate. If anything isn't right, please get in touch with us.

Please let us know if;

- Your contact details change, so we can keep our records up to date
- Your circumstances change, particularly if what's happened is likely to cause you difficulties in managing your account or financial problems
- You think that you won't be able to keep up with your repayments. The sooner you do this, the more likely it is we'll be able to find a way to help you
- We would also encourage you to refer to the terms and conditions associated with your current account or personal loan

B2. BUSINESS SEGMENT

B2.1 COMMUNITY & MICRO LOANS PROGRAM

What is a 'Business Loan'?

A Business Loan from Faulu Bank is a loan for a fixed amount, repayable over a fixed period, with interest charged at a fixed rate. The duration or term of the loan will depend on what is agreed at the time the loan is made but it will be for a short or medium term, of one to five years. The loan is unsecured which means that Faulu MFB will not take a charge over your property when you take the loan.

A Faulu Bank business loan must only be used for the purposes set out in your business loan application. If you are looking for a credit facility to improve your short-term cash flow, then a business overdraft facility may be more appropriate.

Put simply

It's money that you borrow from us. The amount of the money that you borrow, the interest rate and the repayment time period are all fixed. We don't take security for a business loan.

What checks do you need to do for me to get a business loan?

If you wish to apply for a loan then we will, with your prior consent, conduct a search of your credit history with a credit reference agency. This will leave a record on your credit file which will be seen by other credit providers you may apply to. We may decline your application if you provide us with false information as part of your application, or if there are issues with your credit scores when we check your details with a credit reference agency. We will give you details of the agency that we used to inform our decision so you may contact them. For more information a leaflet called 'Your application and credit scoring' is available on request.

Put simply

To apply for a business loan you must agree to us conducting a credit check on you. It's very important to provide accurate information in your application. We might decline your application based on the results of your credit check, or if you have provided false information.

What are the consequences if I do not keep up with repayments?

If you miss a loan payment, we will record the details with a credit reference agency which could damage your credit rating and may make it more difficult for you to obtain credit in the future. Also, failure to make your loan payments when they fall due may result in legal proceedings being taken against you by Faulu Bank, which may result in us taking enforcement action against you in order to recover the monies that are owed. If you have any current or savings accounts with Faulu Bank or any other member of the Faulu Bank, we may move funds from those accounts to settle any outstanding payments on your loan. Alternatively, we may terminate the loan agreement early, meaning you will have to pay the outstanding total amount payable early. If you don't make your repayments and incur significant arrears, we may decide to sell or transfer your loan to a debt recovery company. That company may commence legal proceedings against you that may result in enforcement action being taken against your property for recovery of the monies owed.

Put simply

If you miss a repayment, we can deduct the missed payment from your other accounts with us. We will also record details with a credit reference agency which could damage your credit rating. If you miss multiple repayments, your credit rating can be damaged, and you might have legal proceedings brought against you or a charging order registered against your house. To avoid getting into this situation please contact us if you are having difficulties in making your repayments.

How much do I have to pay under the agreement?

You will need to make repayments every month by Direct Debit which include principal (the original loan amount) and interest over the duration of the loan. The monthly repayments will be for the same amount every month until the loan is fully repaid. Details of the amount you have to pay (both monthly and in total, including all interest) the frequency and number of repayments, and the duration of the loan, are contained in your credit agreement.

Put simply

You pay a fixed amount each month by Direct Debit (made up of the original loan amount and the interest charged). Your credit agreement will detail how much you pay (in total and each month), and when the payments will be due.

Are there any features of the agreement which may operate in a manner which may adversely affect me?

Before signing your business loan credit agreement, you should read all the pre-contractual information and the credit agreement provided to you carefully to ensure that this is the best product for you and that you understand the features of this product.

If you don't make your repayments and incur significant arrears we may decide to sell or transfer your loan to a debt recovery company.

Put simply

You should read all documentation provided to you and consider the information carefully before taking out a business loan to make sure that it is right for you.

Your right to cancel

You have 14 days to change your mind from the date that you sign the agreement – this can be changing the amount of the loan, seeking a different facility or cancelling the loan altogether. If you exercise the right to withdraw from the agreement you must repay any monies we have advanced to you within 30 days from the date that you notified us of your intention to cancel. If you want to cancel you can do so by contacting us in writing or by telephone. Please refer to the agreement for details and the addresses of who to contact.

Put simply

You can change your mind up to 14 days after you sign. If you do this, you must repay anything you owe.

Can I repay my business loan early?

If you wish to repay your business loan early in full, you'll be required to repay the original loan amount, but you will not be required to pay all of the interest due over the remainder of the agreement. We calculate your settlement figure by first determining your 'settlement date'. For a business loan of less than, or equal to one year, we work out your settlement date by counting forward 28 days from the date we receive your request to settle early. If your loan agreement is longer than one year we are allowed to calculate the settlement date by counting forward for a further 30 days or one calendar month. We will charge interest up to your settlement date. You can make partial repayments of your loan without incurring any additional charges. Upon making a partial repayment you can choose whether to either reduce the term of your loan or your monthly repayment amount.

Put simply

You may repay the loan in full at any time before the final payment is due. Details of how to do this are in your agreement. A business loan is designed for borrowing a fixed amount of money for business purposes over the full term of the loan, however it can be repaid early, if you wish. If there is any part of your documentation that you do not understand or on which you require clarification: please call **0711074000**

a) Group Business Loan

Group Business Loan	
Target	Faulu Group Customers
Loan Size	Min: KES. 5,000 - Max: KES. 500,000
Purpose	<ul style="list-style-type: none"> • Business Growth and Improvement • Covers agricultural needs
Duration of Loan	<ul style="list-style-type: none"> • Min: 3 Months • Max: 24 Months

Security/Collateral	<ul style="list-style-type: none"> • 20% compulsory savings if client has only one loan. If more than one please refers to general conditions for details of LSF • Group pressure • Chattels Mortgage • Own collateral 150% of loan value • Stock hypothecation
Repayment Terms	Weekly
Grace Period	4 weeks
Access Requirements	<ul style="list-style-type: none"> • Kenyan citizen 18 years and over, National ID card, business set-up of at least 6 months • 20% compulsory savings. Consistent Contributions over 8 Weeks (Lump sums LSF deposits will not be considered) • Group attendance and discipline for 8 Weeks • Must have undergone LOS
Interest Rate	32.51 % p.a RB
Other Fees	<ul style="list-style-type: none"> • LSUF: 3% of Principal • GCIF: 1.25% of Principal p.a • Chattels mortgage: As per Tariff • All Fees are Loaded to the principal loan amount
Top Up Feature	Must have serviced current loan to half of the loan-term with no arrears
Disbursement	Hazina account
Penalties	<ul style="list-style-type: none"> • Kshs 150 for late installment

b) Group Extra Loan

Group Extra Loan	
Target Client	Faulu Group/Community Customers
Loan Size	Min: KES. 5,000 - Max: KES. 200,000
Purpose	Additional Loan on top of existing loan. Evidence of loan amount request is mandatory (E.g. school fee structures)
Duration of Loan	<ul style="list-style-type: none"> • Min: 3 months • Max: 12 months
Security/Collateral	<ul style="list-style-type: none"> • 20% Compulsory savings if client has only one loan if more than one please refer to general conditions for details of LSF • Group pressure
Repayment Terms	Weekly

Group Extra Loan	
Grace Period	4 weeks
Access Requirements	20% Loan Security Fund
Interest Rate	32.51% p.a RB
Other Fees	<ul style="list-style-type: none"> • LSUF: 3% of Principal • GCIF: 1.25% p.a of Principal • Chattels Mortgage fees
Incentives	<ul style="list-style-type: none"> • Separate cheques for fees and uniforms/books etc. • Amounts for other requirements over and above fees will be limited to up to 30% of the loan face value
Processing Time	72 hours
Disbursement	3 rd party cheque
Penalties	Kshs 150 for late installment

c) **Faulu Micro Fully Secured Loan**

Faulu Micro Fully Secured Loan	
Purpose	Multipurpose loan for small businesses/entrepreneurs. (working capital, LPO financing and business emergencies)
Target Client	<ul style="list-style-type: none"> • Hazina a/c, Hazina Plus individual & institutional account holders involved in business at a micro-entrepreneur level • Seasoned business people with acceptable security and clean credit history
Eligibility Criteria	<ul style="list-style-type: none"> • Must have operated Hazina/personal account(s) for at least 6 months consistently • Must have operated business for a minimum of 1 year • Sufficient Account turn-overs to support repayment • Clean credit history evidenced by a credit reference bureau report • Demonstrated ability to repay
Security	<p>Conventional securities include:-</p> <ul style="list-style-type: none"> • Motor vehicles • Land- Title deeds • Shares quoted at NSE • Two (2) guarantors (indemnifiers) – with active Hazina accounts <p>3 referees... e.g. a landlord, Religious person, suppliers (NB: Refs should not be family members)</p> <p>NB: For loans above Kes. 500,000 securities pledged must include a conventional security.</p>
Loan Term	<ul style="list-style-type: none"> • Chattels + Guarantors – up to 18 months • Full secured motor vehicle – up to 24 months • Title deed fully charged – up to 36 months

Repayment frequency	Monthly through the Operative account.
Grace Period	No Grace Period
Loan Size	Min – KES. 1M and Max – KES. 3M
Disbursement Mode	Disbursement net of applicable fees deductible upfront from the loan
Interest Rate	<ul style="list-style-type: none"> • 21% R.B Flat rate • Additional interest for account non-utilization; 3% p.a RB
Other Fees	<ul style="list-style-type: none"> • LSUF:3% of Principal • GCIF – 0.6% P.A • Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months
Insurance	<ul style="list-style-type: none"> • Credit Life Insurance to be negotiated through reputable companies • All perils insurance over the business assets and stock with Faulu interested noted on the Policy
Top-up feature	<ul style="list-style-type: none"> • Refinancing is available subject to appraisal when the existing loan is 75% paid and from the 2nd Loan cycle. • Interest waiver on top up
Processing Time	<ul style="list-style-type: none"> • Application initiated at Branches and marketing offices. • Response within 48 hours subject to credit approvals. • Loan disbursed into Faulu Business/Personal account.
Late repayment & Penalties	<ul style="list-style-type: none"> • Automated standing orders from Faulu Business/Personal account to Loan account. • Penalty of KES 150 for late installments • At the prevailing interest rate on the installment (s) in arrears
People	<ul style="list-style-type: none"> • Staffing – Faulu Micro ROs, SROs and Branch Managers • Training and empowerment to the Micro ROs will be availed
Approval limits	All loans to be recommended by the Branch Credit Committees and Approved by Credit Department

d) Faulu Micro Loan

Faulu Micro Loan	
Purpose	Multipurpose loan for small businesses/entrepreneurs. (working capital, LPO financing and business emergencies)
Target Client	<ul style="list-style-type: none"> • Hazina a/c, Hazina Plus individual & institutional account holders involved in business at a micro-entrepreneur level • Seasoned business people with acceptable security and clean credit history
Eligibility Criteria	<ul style="list-style-type: none"> • Must have operated Hazina/personal account(s) for at least 6 months consistently • If providing a conventional the customer can be loaned immediately • Must have operated business for a minimum of 1 year • Sufficient Account turn-overs to support repayment • Clean credit history evidenced by a credit reference bureau report

	<ul style="list-style-type: none"> • Demonstrated ability to repay
Security	<p>Acceptable securities include Chattels mortgage on:</p> <ul style="list-style-type: none"> • Business assets –machines • Households Assets –TV, Fridges etc • Business stock - hypothecation <p>Conventional securities include:-</p> <ul style="list-style-type: none"> • Motor vehicles • Land- Title deeds • Shares quoted at NSE • Two (2) guarantors (indemnifiers) – with active Hazina accounts <p>3 referees... e.g. a landlord, Religious person, suppliers (NB: Refs should not be family members) NB: For loans above KES. 500,000 securities pledged must include a conventional security.</p>
Loan Term	<ul style="list-style-type: none"> • Chattels + Guarantors – up to 18 months • Full secured motor vehicle – up to 24 months • Title deed fully charged – up to 36 months
Repayment frequency	Monthly through the selected Operative account
Grace Period	No Grace Period
Loan Size	<ul style="list-style-type: none"> • Min KES. 5,000 – Max KES. 500,000 (Chattels + Guarantors) • Min KES. 500,001 – Max KES. 3,000,000 (Partially secured with conventional securities)
Disbursement Mode	Direct disbursement from Loan account(LD) to Hazina/Personal account net of Applicable upfront fees deductible from the Loan
Interest Rate	<ul style="list-style-type: none"> • 32.51% P.a RB unsecured • 29.09% P.a RB partially secured(conventional securities)
Loans set up	<ul style="list-style-type: none"> • 3% of Principal • Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months • Credit Life – 0.6% P.A
Insurance	<ul style="list-style-type: none"> • Credit Life Insurance to be negotiated through reputable companies • All perils insurance over the business assets and stock with Faulu interested noted on the Policy
Top-up feature	<ul style="list-style-type: none"> • Refinancing is available subject to appraisal when the existing loan is 75% paid and from the 2nd Loan cycle. • Interest waiver on top up
Processing Time	<ul style="list-style-type: none"> • Application initiated at Branches and marketing offices • Response within 48 hours subject to credit approvals • Loan disbursed into Faulu Business/Personal account
Late repayment & Penalties	At the prevailing interest rate on the installment (s) in arrears

People	<ul style="list-style-type: none"> • Staffing – Faulu Micro ROs, SROs and Branch Managers • Training and empowerment to the Micro ROs will be availed
Approval limits	All loans to be recommended by the Branch Credit Committees and Approved by Credit Department

i) Faulu Chama Loan

Faulu Chama Loan	
Target Client	Formal and informal groups such as investment clubs, merry-go-rounds and welfare groups with a membership of 5 and above operating Faulu chama account
Loan Size	Minimum KES. 50,000 Maximum of SOL (Single Obligor Limit) Loan up to 10 times chama saving subject to appraisals. This to be Tiered (first loan is 5 times, second loan 7 times the 3rd loan is 10 times based on monthly contribution)
Loan Purpose	<ul style="list-style-type: none"> • To enable formal and informal groups such as chamas, self-help groups, welfare groups, Partnerships create wealth through investments • Investment groups who have a Faulu chama account for wealth creation and welfare activities of its members
Product features and benefits	<ul style="list-style-type: none"> • The loan is based on the ability of Chama to pay • A repayment period of up to 72 months • Minimum loan of 50,000 • LPO financing for group business contracts and business opportunities. • Members can access individual loans • Members access to Faulu's affordable medical and life covers at discounted premium rates
Loan Term	Up to 72 Months
Security/Collateral	<ul style="list-style-type: none"> • Faulu will finance 100% of the selling price of land or market value whichever is lower for Land acquisition. The land being financed will be held as security • The Savings will be retained and held in lien as an additional security for the loan • For normal chama term loans; Other Conventional securities will be accepted and discounted normally (50% FSV for Motor Vehicles, 50% Market Value for Shares, 90% for Cash etc.)
Repayment	Monthly through automated standing order from Faulu chama account
Grace Period	<ul style="list-style-type: none"> • Permissible on need basis depending on loan purpose • 0 - 12 Months
Access Requirements	<ul style="list-style-type: none"> • Ability to Pay -The Loan Installment should not exceed 85% of the average monthly chama contributions. Chamas with additional regular income e.g. rent will be considered as well • Chama should have been in existence for at least 6 Months

Faulu Chama Loan																				
	<ul style="list-style-type: none"> Chama must have banked with Faulu for at least 3 Months (and avail at least 3 Months certified bank statement from other banks to make 6 Months) In addition, the chama should be able to pay incidental costs of security perfection (valuation ,legal fees) , stamp duty Copies of I.D. and PINS for the officials, list of all group members, their contacts (including physical address) and their business activities 																			
Interest Rate	22% Reducing balance																			
Other Fees	<ul style="list-style-type: none"> LSUF: 3% of Principal Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months Incidental costs of security perfection (valuation ,legal fees) , stamp duty 																			
Top-up feature	Top up available at 50% repayment																			
Disbursement	Faulu Chama account																			
Penalties	<p>Penalty charge on late loan repayment</p> <table border="1"> <thead> <tr> <th>Loan category</th> <th colspan="3">Amount in KES.</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Chama loan- Rates are charged on frequency of loan repayment</td> <td>Lower</td> <td>Upper</td> <td>Charge</td> </tr> <tr> <td>200,000</td> <td>500,000</td> <td>500</td> </tr> <tr> <td>500,001</td> <td>1,000,000</td> <td>1,000</td> </tr> <tr> <td>1,000,001</td> <td>999,999,999</td> <td>3,000</td> </tr> </tbody> </table>			Loan category	Amount in KES.			Chama loan- Rates are charged on frequency of loan repayment	Lower	Upper	Charge	200,000	500,000	500	500,001	1,000,000	1,000	1,000,001	999,999,999	3,000
Loan category	Amount in KES.																			
Chama loan- Rates are charged on frequency of loan repayment	Lower	Upper	Charge																	
	200,000	500,000	500																	
	500,001	1,000,000	1,000																	
	1,000,001	999,999,999	3,000																	
Processing Time	Approval within 5 working days																			

j) Pesa Chap Chap Mobile Loan

Pesa Chap Chap Mobile Loan	
Purpose	<ul style="list-style-type: none"> Emergency cash
Loan Limits	<ul style="list-style-type: none"> Min – KES. 300 and Max – KES.10,000 (≤10% of Loan security Fund)
Eligibility	<ul style="list-style-type: none"> Group clients with clean individual records of no arrears in the last 2 months on other loans other than Pesa chap chap

Pesa Chap Chap Mobile Loan	
	<ul style="list-style-type: none"> • If a customer defaulted on their last chap chap loan and their LSF was tapped after 30 days to pay-off the loan, they can only reapply after 3 months during which they should have topped up the tapped LSF amount equivalent • Mobile banking enrolment
Time Limit/Tenure	10 days
Repayment Term	1 - 10 days. Loan repaid through Hazina and Faulu Personal accounts
Security	<ul style="list-style-type: none"> • The emergency cash cannot be above 10% of LSF • Default clients cannot access the product for a period of 3 months • No con-current similar loan, one has to pay off completely an existing loan • SMS reminders will be weekly after the 10th day with pending balances • Loanee LSF tapping after 30 days
Interest rate	10 % of advanced cash
Withdrawal fees	All channels fees apply as per the tariff guide
Late Payment Penalties	<ul style="list-style-type: none"> • 10% after 10 days • KES 150 for late installment
Promotion	<ul style="list-style-type: none"> • Officers and Bulk SMS
Loan Application	*339# USSD, mobile banking platform
Disbursement mode	To the operative account
Processing Time	Instant.

Statement of Lender and Borrower Responsibilities

Our lending commitments

As a lender, we have a responsibility to act fairly and as part of this we have committed to follow the Standards of Lending Practice which are monitored and enforced by the Central Bank of Kenya (CBK)

This note sets out some of our key responsibilities and what we ask of you, to ensure that the relationship works well for both of us.

- We will lend responsibly and aim to provide a product that is affordable for you
- We will provide you with information about our products and services and how they work, in a clear and understandable way, so that you can decide what's best for you and your needs
- We will endeavour to make sure our products and services offer, wherever possible, the flexibility to meet your needs
- We will always treat you fairly and reasonably and make sure that you are provided with a high level of service
- If you tell us about any inaccuracies, for example around the personal information we hold about you, we will act quickly to put it right
- We will always aim to help you if we see, or you tell us, that you are having trouble financially. We will seek to understand your overall circumstances, try and identify options that you can afford and where appropriate, provide a reference to free debt advice.

What we ask of you

- We ask you to think carefully about whether you can afford to repay the money you want to borrow and to be open in your dealings with us
- Take care of any cards, PINs, online log-in details and other security information to help prevent fraud and help us to protect your account
- Tell us as soon as possible if your card has been lost or stolen, or if you know or suspect someone is misusing your confidential information e.g. your PIN or online/mobile banking login details
- Carefully check your account statements to make sure they are accurate. If anything isn't right, please get in touch with us.

Please let us know if;

- Your contact details change, so we can keep our records up to date
- Your circumstances change, particularly if what's happened is likely to cause you difficulties in managing your account or financial problems
- You think that you won't be able to keep up with your repayments. The sooner you do this, the more likely it is we'll be able to find a way to help you
- We would also encourage you to refer to the terms and conditions associated with your current account or personal loan

B2.2 Community Agribusiness Loans Program

What is an 'Agribusiness Loan'?

Agribusiness Loan from Faulu Bank is a loan for a fixed amount, repayable over a fixed period, with interest charged at a fixed rate. The duration or term of the loan will depend on what is agreed at the time the loan is made but it will be for a short or medium term, of one to five years. The loan is unsecured which means that Faulu MFB will not take a charge over your property when you take the loan.

Agribusiness loan must only be used for the purposes set out in your loan application. If you are looking for a credit facility to improve your short-term cash flow, then a business overdraft facility may be more appropriate.

Put simply

It's money that you borrow from us. The amount of the money that you borrow, the interest rate and the repayment time period are all fixed. We don't take security for a business loan.

What checks do you need to do for me to get agribusiness loan?

If you wish to apply for a loan then we will, with your prior consent, conduct a search of your credit history with a credit reference agency. This will leave a record on your credit file which will be seen by other credit providers you may apply to. We may decline your application if you provide us with false information as part of your application, or if there are issues with your credit scores when we check your details with a credit reference agency. We will give you details of the agency that we used to inform our decision so you may contact them. For more information a leaflet called 'Your application and credit scoring' is available on request.

Put simply

To apply for a business loan you must agree to us conducting a credit check on you. It's very important to provide accurate information in your application. We might decline your application based on the results of your credit check, or if you have provided false information.

What are the consequences if I do not keep up with repayments?

If you miss a loan payment, we will record the details with a credit reference agency which could damage your credit rating and may make it more difficult for you to obtain credit in the future. Also, failure to make your loan payments when they fall due may result in legal proceedings being taken against you by Faulu Bank, which may result in us taking enforcement action against you in order to recover the monies that are owed. If you have any current or savings accounts with Faulu Bank or any other member of the Faulu Bank, we may move funds from those accounts to settle any outstanding payments on your loan. Alternatively, we may terminate the loan agreement early, meaning you will have to pay the outstanding total amount payable early. If you don't make your repayments and incur significant arrears, we may decide to sell or transfer your loan to a debt recovery company. That company may commence legal proceedings against you that may result in enforcement action being taken against your property for recovery of the monies owed.

Put simply

If you miss a repayment, we can deduct the missed payment from your other accounts with us. We will also record details with a credit reference agency which could damage your credit rating. If you miss multiple repayments, your credit rating can be damaged, and you might have legal proceedings brought against you or a charging order registered against your house. To avoid getting into this situation please contact us if you are having difficulties in making your repayments.

How much do I have to pay under the agreement?

You will need to make repayments every month by Direct Debit which include principal (the original loan amount) and interest over the duration of the loan. The monthly repayments will be for the same amount every month until the loan is fully repaid. Details of the amount you have to pay (both monthly and in total, including all interest) the frequency and number of repayments, and the duration of the loan, are contained in your credit agreement.

Put simply

You pay a fixed amount each month by Direct Debit (made up of the original loan amount and the interest charged). Your credit agreement will detail how much you pay (in total and each month), and when the payments will be due.

Are there any features of the agreement which may operate in a manner which may adversely affect me?

Before signing your business loan credit agreement, you should read all the pre-contractual information and the credit agreement provided to you carefully to ensure that this is the best product for you and that you understand the features of this product. If you don't make your repayments and incur significant arrears we may decide to sell or transfer your loan to a debt recovery company.

Put simply

You should read all documentation provided to you and consider the information carefully before taking out a business loan to make sure that it is right for you.

Your right to cancel

You have 14 days to change your mind from the date that you sign the agreement – this can be changing the amount of the loan, seeking a different facility or cancelling the loan altogether. If you exercise the right to withdraw from the agreement you must repay any monies we have advanced to you within 30 days from the date that you notified us of your intention to cancel. If you want to cancel you can do so by contacting us in writing or by telephone. Please refer to the agreement for details and the addresses of who to contact.

Put simply

You can change your mind up to 14 days after you sign. If you do this, you must repay anything you owe.

Can I repay my business loan early?

If you wish to repay your business loan early in full, you'll be required to repay the original loan amount, but you will not be required to pay all of the interest due over the remainder of the agreement. We calculate your settlement figure by first determining your 'settlement date'. For a business loan of less than, or equal to one year, we work out your settlement date by counting forward 28 days from the date we receive your request to settle early. If your loan agreement is longer than one year we are allowed to calculate the settlement date by counting forward for a further 30 days or one calendar month. We will charge interest up to your settlement date. You can make partial repayments of your loan without incurring any additional charges. Upon making a partial repayment you can choose whether to either reduce the term of your loan or your monthly repayment amount.

Put simply

You may repay the loan in full at any time before the final payment is due. Details of how to do this are in your agreement. A business loan is designed for borrowing a fixed amount of money for business purposes over the full term of the loan, however it can be repaid early, if you wish. If there is any part of your documentation that you do not understand or on which you require clarification: please call **0711074000**

a) Nafaka Inputs Loan

Nafaka Inputs Loan	
Loan Purpose	<ul style="list-style-type: none"> • Purchase of farming inputs including seed, fertilizer, and farm preparation, crop management and harvest.
Target Clients	<ul style="list-style-type: none"> • Farmers growing cereals crops including maize and wheat, Farmers who own/lease land and can provide evidence of the same • Farmers who will provide conventional collateral to secure the facility
Access requirements	<ul style="list-style-type: none"> • Open an account with Faulu MFB Ltd • Farmers who have been involved in growing the same crop. This to be proved by funds in the bank for the previous crop's proceeds. • Request to be supported by quotations and appropriate budgets.

	<ul style="list-style-type: none"> • Ability to repay-we shall lend a maximum of 70% of the previous season's proceed from the crop harvested. • Provide an appropriate conventional collateral • Clean credit history evidenced by a credit reference bureau report • Duly completed credit facility application form • PIN certificate and National I.D. (Original and copy). • Certificate of Registration (in case of registered enterprise/sole proprietorship) • Bank and M'pesa statements as evidence of earnings
Loan Size	<ul style="list-style-type: none"> • Maximum of 70% of the previous season's earnings as per the banking records to a maximum of 3M
Loan Term	<ul style="list-style-type: none"> • Maximum of 12 months or the crop harvest cycle whichever is earlier
Security/Collateral	<ul style="list-style-type: none"> • Applicable conventional collateral ie Logbook for Motor vehicle, tractors, trucks or tittle deeds. Bank margins on the collateral to apply. • Log books on Tuk Tuks, Motor cycles, PSVs will not be accepted
Repayment Periodicity	<ul style="list-style-type: none"> • Interest spread and paid in equal installment within the loan term • Bullet payment to clear the loan upon receipt of the earnings or payment from the farmer upon maturity of the loan whichever comes earlier.
Grace Period	<ul style="list-style-type: none"> • Up to a maximum 12 Months for Maize and 8 Months for Wheat
Interest Rate	<ul style="list-style-type: none"> • 21% P.A reducing balance
Other Fees	<ul style="list-style-type: none"> • Loan processing 3% of Principal • Credit Life Insurance at 0.6% p.a.
Other Insurance	<ul style="list-style-type: none"> • Compulsory Crop Insurance cover through Faulu Bancassurance capitalized as part of principle if the customer cannot afford it
Top-up feature	<ul style="list-style-type: none"> • Refinancing is available subject to appraisal immediately upon full clearance of the existing loan.
Processing Time	<ul style="list-style-type: none"> • Application at Branches and marketing offices • Approval within 48 hours (process flow to be done)
Loan Recovery	<ul style="list-style-type: none"> • Bullet payment at the end of cycle (Principle + Interest)
Penalties	<ul style="list-style-type: none"> • A default rate of 10% PA over and above the prevailing interest rate shall be applicable on any outstanding sum
Disbursement	<ul style="list-style-type: none"> • Phased disbursement based on the crop cycle and the initial financial needs schedule provided and as per the initial budget plan provided by the customer at the loan application stage.

b) Nafaka Off Taker Contract Backed Loan

Nafaka Off Taker Contract Backed Loan	
Purpose	<ul style="list-style-type: none"> Loans to fund farming activities where there is contract farming(A ready off taker identified at initial stage) Maize, Sorghum, Barley, Potatoes, Bananas
Target	<ul style="list-style-type: none"> Farmers who have contracted an off taker with a signed MOU <ul style="list-style-type: none"> Farmers who are in an organization (CBO), self-help groups Individual farmers
Loan term	<ul style="list-style-type: none"> 3 – 12 Months Loan term will be strictly crop dependent
Loan amount	<ul style="list-style-type: none"> Self-help groups/CBOs KES.5, 000 –KES. 300,000 for Individual farmer - up to 3M Ability to repay-we shall lend a maximum of 70% of the previous season's proceed from the crop harvested
Repayment terms	<ul style="list-style-type: none"> Bullet payment from off taker as per MOU agreement or payment from the farmer after maturity of the loan whichever comes earlier.
Grace period	<ul style="list-style-type: none"> The crop cycle plus a maximum of one month up to a maximum of 12 months
Security/Collateral	<ul style="list-style-type: none"> For self-help groups and CBOs - Chattels, Livestock &LSF -20%, Weekly LSF contribution, group Guarantee For individual farmers - conventional securities <ul style="list-style-type: none"> Applicable conventional collateral i.e. Logbook for Motor vehicle, tractors, trucks or tittle deeds. Bank margins on the collateral to apply. Log books on Tuk Tuks, Motor cycles, PSVs will not be accepted
Access Requirements	<ul style="list-style-type: none"> Open an account with Faulu MFB Ltd Farmers who have been involved in growing the same crop. This to be proved by funds in the bank for the previous crop's proceeds. Request to be supported by quotations and appropriate budgets. Provide an appropriate conventional collateral for individual borrowers not in a group Membership of a group or CBO for group borrowers Clean credit history evidenced by a credit reference bureau report Duly completed credit facility application form PIN certificate and National I.D. (Original and copy). Certificate of Registration (in case of registered enterprise/sole proprietorship)

	<ul style="list-style-type: none"> • Bank and M'pesa statements as evidence of earnings
Interest rate	<ul style="list-style-type: none"> • Group customers – 42.78% P.A RB • Individual borrowers – 21% reducing balancing balance
Other Fees	<ul style="list-style-type: none"> • Group Credit Insurance Fund (GCIF) - 1.25% , • LSUF: 3% of Principal • Chattels fees
Other Insurance	<ul style="list-style-type: none"> • Compulsory Crop Insurance cover through Faulu Bancassurance capitalized as part of principle if the customer cannot afford it
Top up feature	<ul style="list-style-type: none"> • Refinancing is available subject to appraisal immediately upon full clearance of the existing loan.
Processing time	<ul style="list-style-type: none"> • Approval within 48 hours (process flow to be done)
Penalties	<ul style="list-style-type: none"> • A A default rate of 10% PA over and above the prevailing interest rate shall be applicable on any outstanding sum
Disbursement	<ul style="list-style-type: none"> • Phased disbursement based on the crop cycle and the initial financial needs schedule provided and as per the initial budget plan provided by the customer at the loan application stage.

c) Kilimo Bora Loan

Kilimo Bora Loan	
Loan purpose	<ul style="list-style-type: none"> • Purchase of pigs, poultry, rabbits and dairy cows, Goats • Growing of horticultural crops, French peas, snow peas, tomatoes , capsicum

Kilimo Bora Loan	
Loan Size (Min.-Max.)	KES.5,000 – KES.500,000
Loan Term (Min.-Max.)	Min 3 months max 18 months
Security/Collateral	<ul style="list-style-type: none"> • Insurance Faulu being the first claimant • Chattels • Guarantors • LSF(Loan Security Fund)
Repayment Periodicity	Weekly, fortnightly, monthly
Access Requirements	<ul style="list-style-type: none"> • On – going agribusiness project • Livestock/crop insurance • Customer must be a group member
Grace Period	<ul style="list-style-type: none"> • Flexible grace period of 4 weeks, 8 weeks and 12 weeks
Price	<ul style="list-style-type: none"> • 41.06% • 1.5% charge for non-utilization of the Operative Account
Interest Rate	<ul style="list-style-type: none"> • Group life + group/Animal insurance fee of 4% • LSUF: 3% of Principal • Chattels fee
Other Fees	<ul style="list-style-type: none"> • Relationship officers • Guarantors
Assessment	<ul style="list-style-type: none"> • 5 days processing
Penalties	<ul style="list-style-type: none"> • 41.06% P.A on pending instalments

d) Maziwa Loan

Maziwa Loan	
Loan Purpose	<ul style="list-style-type: none"> • Personal, development, farm improvement, Purchase of Dairy cows or business needs
Target Clients	<ul style="list-style-type: none"> • Dairy farmers selling milk through Milk co-operatives and are paid on monthly remittance basis through their Faulu account • Dairy farmers selling to milk processing firms and are paid on monthly remittance basis through their Faulu account • Alternatively, borrower to fill change of pay point forms before drawdown
Eligibility Criteria	<ul style="list-style-type: none"> • Open an account with Faulu MFB Ltd for milk proceeds remittance • Must be having consistent milk remittance income for the last 12 months as evidenced by the bank statements and Milk delivery notes

	<ul style="list-style-type: none"> Ability to repay-We shall commit a maximum of 70% of the average monthly remittance for the last 12 Months Clean credit history evidenced by a credit reference bureau report Duly completed credit facility application form PIN certificate and National I.D. (Original and copy). Certificate of Registration (in case of registered enterprise/sole proprietorship)
Loan Size	Option 1 Unsecured loan-Kes 5,000 to Kes. 500,000 Option 2-Secured loan-Kes 100,000 - Kes 3,000,000
Loan Term (Min.-Max.)	Option 1-Maximum of 12 months Option 2-Maximum 36 Months
Security/Collateral	Option 1 <ul style="list-style-type: none"> Monthly milk remittances. Irrevocable instructions by the milk buying agency not to change the pay point from Faulu. chattels mortgage over household chattels and livestock Two guarantors with milk remittance Option 2 <ul style="list-style-type: none"> Monthly milk remittances. Irrevocable instructions by the milk buying agency not to change the pay point from Faulu. An acceptable conventional collateral
Repayment Periodicity	<ul style="list-style-type: none"> Automatic Standing Orders from a Faulu account on Monthly basis.
Grace Period	<ul style="list-style-type: none"> No Grace period(Payment to commence 30 days after disbursement)
Interest Rate	<ul style="list-style-type: none"> Option 1-Unsecured: 41.06% p.a RB Option 2-Secured: 21 % p.a RB
Other Fees	<ul style="list-style-type: none"> LSUF: 3% of Principal
Credit Life Insurance	<ul style="list-style-type: none"> 0.6% p.a. of Principal
Other Insurance	<ul style="list-style-type: none"> Livestock Insurance for the Cows
Top-up feature	<ul style="list-style-type: none"> Refinancing is available subject to appraisal immediately upon payment of 25% of the existing loan
Processing Time	<ul style="list-style-type: none"> Application at Branches and marketing offices Response within 24 hours subject to credit approvals
Penalties	A default rate of 10% PA over and above the prevailing interest rate shall be applicable on any outstanding sum
People	<ul style="list-style-type: none"> Branch Staff

	<ul style="list-style-type: none"> • Milk processing firm, Sacco or any other milk purchasing agency.
Promotion	<ul style="list-style-type: none"> • Internal –Internal Communication • External – direct marketing through the branches
Approval limits	<ul style="list-style-type: none"> • All Loans to be recommended by Branch Credit Committees and Approved by Credit as per the set credit approval limits

e) Green Gold

Green Gold	
Purpose	<ul style="list-style-type: none"> • Help farmers meet their personal and development needs
Target	<ul style="list-style-type: none"> • Tea farmers
Loan term	<ul style="list-style-type: none"> • The remaining period until the main bonus payout but a Max. of 12 months
Loan amount	<ul style="list-style-type: none"> • 75% of the average of the recent 3 years bonus earned <ul style="list-style-type: none"> ○ Minimum- KES.5,000 ○ Maximum- KES.500,000
Repayment terms	<ul style="list-style-type: none"> • Loan repayments are structured to accommodate the tea bonus payments this means that the : <ul style="list-style-type: none"> ○ Loan principle is to be repaid once on the Farmers receipt of the annual bonus Payment at the end through Hazina account ○ Interest to be annualized and paid monthly from the monthly tea earnings through automated standing order from Hazina account
Grace period	<ul style="list-style-type: none"> • None
Security/Collateral	<ul style="list-style-type: none"> • The following types of collateral can be used for loan amounts of KES. 5,000 – KES500,000 • Deed of assignment assigning the tea proceeds (monthly and bonus) to Faulu • Chattels mortgage • 2 guarantors who sign a chattel mortgage and open an account with Faulu or have an existing account. • Three change of pay point form signed and updated • Three original tea remittance slips • Tea bushes • Monitoring of the remittances, should the remittances reduce, the officer is required to intervene and engage the farmer. This can be achieved through enhanced relationships with the agricultural officers

Access Requirements	<ul style="list-style-type: none"> • An active operative account with Faulu • At least one month tea remittance channeled through Faulu account • The one month remittance is not applicable to buy offs for non KTDA customers • Three original tea remittance slips • Deed of Assignment assigning the tea proceeds (monthly and bonus) to Faulu • One year certified bank statements from the previous bank or pay point • Copy of NID
Interest rate	<ul style="list-style-type: none"> • 41.06 % P.a RB
Other Fees	<ul style="list-style-type: none"> • LSUF: 3% of Principal • Credit life: 0.6% P.A • All fees to be deducted from the loan
Top up feature	<ul style="list-style-type: none"> • Applicants qualify for multiple (additional or top up loans provided that the borrower does not exceed 75% of the value of tea of the recent 3 years bonus earned)
Processing time	<ul style="list-style-type: none"> • Approval within 48 hours
Penalties	<ul style="list-style-type: none"> • A default rate of 10% PA over and above the prevailing interest rate shall be applicable on any outstanding sum

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- We will provide you with information about our products and services and how they work, in a clear and understandable way, so that you can decide what's best for you and your needs
- We will endeavour to make sure our products and services offer, wherever possible, the flexibility to meet your needs
- We will always treat you fairly and reasonably and make sure that you are provided with a high level of service
- If you tell us about any inaccuracies, for example around the personal information we hold about you, we will act quickly to put it right
- We will always aim to help you if we see, or you tell us, that you are having trouble financially. We will seek to understand your overall circumstances, try and identify options that you can afford and where appropriate, provide a reference to free debt advice.

What we ask of you

- We ask you to think carefully about whether you can afford to repay the money you want to borrow and to be open in your dealings with us
- Take care of any cards, PINs, online log-in details and other security information to help prevent fraud and help us to protect your account
- Tell us as soon as possible if your card has been lost or stolen, or if you know or suspect someone is misusing your confidential information e.g. your PIN or online/mobile banking login details
- Carefully check your account statements to make sure they are accurate. If anything isn't right, please get in touch with us.

Please let us know if;

- Your contact details change, so we can keep our records up to date
- Your circumstances change, particularly if what's happened is likely to cause you difficulties in managing your account or financial problems
- You think that you won't be able to keep up with your repayments. The sooner you do this, the more likely it is we'll be able to find a way to help you
- We would also encourage you to refer to the terms and conditions associated with your current account or personal loan

B2.3 SME & CORPORATE LOANS PROGRAM

What is a 'Business Loan'?

A Business Loan from Faulu Bank is a loan for a fixed amount, repayable over a fixed period, with interest charged at a fixed rate. The duration or term of the loan will depend on what is agreed at the time the loan is made but it will be for a short or medium term, of one to five years. The loan is unsecured which means that Faulu MFB will not take a charge over your property when you take the loan.

A Faulu Bank business loan must only be used for the purposes set out in your business loan application. If you are looking for a credit facility to improve your short-term cash flow, then a business overdraft facility may be more appropriate.

Put simply

It's money that you borrow from us. The amount of the money that you borrow, the interest rate and the repayment time period are all fixed. We don't take security for a business loan.

What checks do you need to do for me to get a business loan?

If you wish to apply for a loan then we will, with your prior consent, conduct a search of your credit history with a credit reference agency. This will leave a record on your credit file which will be seen by other credit providers you may apply to. We may decline your application if you provide us with false information as part of your application, or if there are issues with your credit scores when we check your details with a credit reference agency. We will give you details of the agency that we used to inform our decision so you may contact them. For more information a leaflet called 'Your application and credit scoring' is available on request.

Put simply

To apply for a business loan you must agree to us conducting a credit check on you. It's very important to provide accurate information in your application. We might decline your application based on the results of your credit check, or if you have provided false information.

What are the consequences if I do not keep up with repayments?

If you miss a loan payment, we will record the details with a credit reference agency which could damage your credit rating and may make it more difficult for you to obtain credit in the future. Also, failure to make your loan payments when they fall due may result in legal proceedings being taken against you by Faulu Bank, which may result in us taking enforcement action against you in order to recover the monies that are owed. If you have any current or savings accounts with Faulu Bank or any other member of the Faulu Bank, we may move funds from those accounts to settle any outstanding payments on your loan. Alternatively, we may terminate the loan agreement early, meaning you will have to pay the outstanding total amount payable early. If you don't make your repayments and incur significant arrears, we may decide to sell or transfer your loan to a debt recovery company. That company may commence legal proceedings against you that may result in enforcement action being taken against your property for recovery of the monies owed.

Put simply

If you miss a repayment, we can deduct the missed payment from your other accounts with us. We will also record details with a credit reference agency which could damage your credit rating. If you miss multiple repayments, your credit rating can be damaged, and you might have legal proceedings brought against you or a charging order registered against your house. To avoid getting into this situation please contact us if you are having difficulties in making your repayments.

How much do I have to pay under the agreement?

You will need to make repayments every month by Direct Debit which include principal (the original loan amount) and interest over the duration of the loan. The monthly repayments will be for the same amount every month until the loan is fully repaid. Details of the amount you have to pay (both monthly and in total, including all interest) the frequency and number of repayments, and the duration of the loan, are contained in your credit agreement.

Put simply

You pay a fixed amount each month by Direct Debit (made up of the original loan amount and the interest charged). Your credit agreement will detail how much you pay (in total and each month), and when the payments will be due.

Are there any features of the agreement which may operate in a manner which may adversely affect me?

Before signing your business loan credit agreement, you should read all the pre-contractual information and the credit agreement provided to you carefully to ensure that this is the best product for you and that you understand the features of this product.

If you don't make your repayments and incur significant arrears we may decide to sell or transfer your loan to a debt recovery company.

Put simply

You should read all documentation provided to you and consider the information carefully before taking out a business loan to make sure that it is right for you.

Your right to cancel

You have 14 days to change your mind from the date that you sign the agreement – this can be changing the amount of the loan, seeking a different facility or cancelling the loan altogether. If you exercise the right to withdraw from the agreement you must repay any monies we have advanced to you within 30 days from the date that you notified us of your intention to cancel. If you want to cancel you can do so by contacting us in writing or by telephone. Please refer to the agreement for details and the addresses of who to contact.

Put simply

You can change your mind up to 14 days after you sign. If you do this, you must repay anything you owe.

Can I repay my business loan early?

If you wish to repay your business loan early in full, you'll be required to repay the original loan amount, but you will not be required to pay all of the interest due over the remainder of the agreement. We calculate your settlement figure by first determining your 'settlement date'. For a business loan of less than, or equal to one year, we work out your settlement date by counting forward 28 days from the date we receive your request to settle early. If your loan agreement is longer than one year we are allowed to calculate the settlement date by counting forward for a further 30 days or one calendar month. We will charge interest up to your settlement date. You can make partial repayments of your loan without incurring any additional charges. Upon making a partial repayment you can choose whether to either reduce the term of your loan or your monthly repayment amount.

Put simply

You may repay the loan in full at any time before the final payment is due. Details of how to do this are in your agreement. A business loan is designed for borrowing a fixed amount of money for business purposes over the full term of the loan, however it can be repaid early, if you wish. If there is any part of your documentation that you do not understand or on which you require clarification: please call **0711074000**

a) Biashara SME Loan

Biashara SME Loan	
Target	Small and Medium Enterprises
Loan Size	>KES. 100,000
Purpose	<p>SME Business growth needs :</p> <p>Biashara SME-Working Capital.</p> <ul style="list-style-type: none"> ❖ Working Capital/Business Expansion/Stocks ❖ Import/Export Financing ❖ LPO Financing and Invoice Discounting <p>Biashara SME-Development.</p> <ul style="list-style-type: none"> ❖ Acquisition of Movable and Immovable assets/Equipment. ❖ Acquisition of Plots, Land, Buildings, Project Finance, Construction and other Capex Needs.
Loan Term	<ul style="list-style-type: none"> • Up to a maximum of 84 months • (Shorter repayment periods preferred depending on capacity to pay)
Security	<p>Flexible Collaterals Subject to risk assessment and appraisal with the following options :</p> <ol style="list-style-type: none"> 1. First Legal Charge over the title deeds, Joint Registration and Chattels Mortgage over Motor Vehicles, Lien on Quoted Shares, Fixed Cash held on FDR account, Lengo A/c etc. The loan limit will be set from time to time. 2. Where securities in 1 above are insufficient Fixed and Floating Debenture over all Company Assets to be registered as additional security– the loan limit will not exceed KSHS. 100 Million and a loan term of up to 72 Months

- 2.1 Directors Personal Guarantees and Indemnity
- 2.2 Transfer of Shares form signed in blank by each of the Shareholders
- 2.3 Letter of Authority to transfer shares signed by each shareholder
- 2.4 Original Certificate of Incorporation
- 2.5 Original Memorandum and Articles of Association
- 2.6 Original Share Certificates
- 2.7 Original Lease for the Business Premises
- 2.8 Credit Life , Key Man Insurance to be negotiated
- 2.9 All perils insurance for company assets including stock to be organized from reputable companies in our Panel and Faulu Interest Duty noted on the Policy
- 2.10 Fire and all perils for Houses, Comprehensive Insurance for Motor Vehicles offered as security to be obtained from reputable companies with Faulu Interest Duty Noted on the Policies

Applicable Collateral Margins and Loan Terms to be observed for all Collaterals

Security Type	Loan To Value (Margin)	Max Amount	Max Period
Cash	90%	Set from time to time	FDR term
Motor Vehicles	50 % FSV	3 M	24 Months
Quoted Shares	50% OMV	3 M	12 Months
Debentures	70% OMV	10 M	48 Months
Titles [Developed]	50% FSV –Agricultural 60% FSV Towns 60 % OMV Municipalities 70 % OMV Cities	Set from time to time	72 Months
Titles [undeveloped]	50% FSV –Agricultural 50% FSV Towns 50 % FSV Municipalities 60 % FSV Cities	5 M	72 Months

Key : OMV –Open Market Value FSV –Forced Sale Value

Repayment Terms

Several Options will be Available :
 1. Monthly Automated Standing Orders from operative account to Loan Account

	<ol style="list-style-type: none"> 2. One Automated Lump sum (P+I/ Balloon) recovery from the operative account to the Loan account if the Loan is payable as a Lump sum (Balloon) at the expiry of the Grace Period e.g. for LPO financing – 3 months 3. Termly (3 times a year) for Schools 4. Quarterly (4 times in a year)
Grace Period	<ul style="list-style-type: none"> • Up to a Maximum of 12 Months subject to business need appraisal for Principal Only
Access Requirements	<ul style="list-style-type: none"> • Where Debentures will act as a security only , Business to be registered as a Limited Liability Company through Registrar of Companies first • Lease over the business premises to be in the company's name • Operative account to be opened and all business proceeds to be channeled through Faulu • 6 months Certified bank statements • Certified Loan statements where applicable • Latest management accounts as at the time of application for Loans above Kshs1.5 M • 3 year Audited accounts for loans above KES.10M • List of duly aged debtors and creditors for loans above 3 M • 1 year Cash flow projections for Loans above KES. 3 M • Latest annual Returns/CR12 which is document from the company registry that lists the current directors shareholding Certificate of Incorporation & Memorandum and articles of Association for any company [NB:A company Search MUST be Contacted] • Annual Returns for the last 3 years for Companies • PIN Certificate / National I.D copy • Copies of Trading License and other specialized licenses where applicable
Interest Rate	<ul style="list-style-type: none"> • 19% p.a Reducing balance-For amounts equal to or greater than KES. 10M • 20% p.a Reducing balance-For amounts greater than KES. 3M and less than KES. 10M • Additional interest for account non-utilization: 3% p.a RB
Other Fees	<ul style="list-style-type: none"> • LSUF: 3% of Principal • Credit Life: 0.6% • Annual review fee of Ksh 0.5% at anniversary date on the outstanding balance , applicable for contracts running for more than 12 months
Other charges (legal, valuation)	<ul style="list-style-type: none"> • A special panel of lawyers to be negotiated for preparing a package of securities for Debentures [Memorandum and Articles and Incorporation of a company , Lease transfer from the sole proprietor to the New Company ,blank Transfer of Shares and Share Certificates and Fixed and Floating Debentures] • Valuation of securities and businesses (for debentures) to be done by approved valuers in our panel • Legal fees and Valuation Charges to be paid directly to service provider • Other charges to be deducted from loan face value during disbursement
Disbursement Mode	<ul style="list-style-type: none"> • Direct disbursement net of Applicable upfront fees deductible from the Loan
Insurance	<ul style="list-style-type: none"> • Credit Life , Key Man Insurance to be negotiated • All perils insurance for company assets including stock to be organized from reputable companies in our Panel and Faulu Interest Duly noted on the Policy

	<ul style="list-style-type: none"> • Fire and all perils for Houses , Comprehensive Insurance for Motor Vehicles offered as security to be obtained from reputable companies with Faulu Interest Duly Noted on the Policies 		
Late Payment Penalties	Lower	Upper	Charge/Penalty
	200,000	500,000	500
	500,001	1,000,000	1,000
	1,000,001	999,999,999	3,000
Top up feature	Interest waiver on top up		
People	Specialized Individual Lending Officers		
Process	Approval in 48hours and Disbursement into the operative a/c within 30 days working days subject to perfection of security		

b) Asset Finance

Asset Finance	
Purpose	To Support SMEs and Individuals acquire assets like : <ul style="list-style-type: none"> • Personal Cars • Commercial assets <ul style="list-style-type: none"> ◦ Tractors ,Trailers ◦ Plant & Machinery for Light Industries • School/Institution/Church buses/vans/pick ups
Target Client	Individuals and SMEs either in business or employed
Eligibility Criteria	<ul style="list-style-type: none"> • Bank Statements for the last 6 Months either from Faulu or other banks • Evidence of ability to raise applicable deposit for the asset • Clean credit history evidenced by a credit reference bureau report • Performa Invoice from a Reputable Dealer for both new and used cars • Sales Agreement to be obtained for used cars after approval • Valuation report for the motor vehicle to be done by approved values after preliminary appraisal by Faulu staff for used vehicles Only • Ability to repay <p>Individuals , Sole proprietors and Partnerships</p> <ul style="list-style-type: none"> • Duly completed credit facility application form • PIN certificate and National I.D. (Original and copy) • Certificate of Registration (in case of registered enterprise/sole proprietorship and Partnerships) <p>Limited Liability Companies</p>

	<ul style="list-style-type: none"> • Duly completed credit facility application form • Resolution to Borrow by the company directors • Certificate of incorporation • PIN certificate and National I.D. (Original and copy) of all directors • PIN Certificate of the Company • A copy of Memorandum & Articles of Association 																																			
<p>Security</p>	<p>The following are the Maximum Margins and Loan Terms :</p> <table border="1" data-bbox="506 456 1514 1000"> <thead> <tr> <th>Security Type</th> <th>Loan to Value</th> <th>Max Period</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Personal Cars</td> <td>New :80 %</td> <td>60 Months</td> </tr> <tr> <td>Used:70%</td> <td>48 Months</td> </tr> <tr> <td rowspan="2">Commercial Vehicles</td> <td>New:80%</td> <td>60 Months</td> </tr> <tr> <td>Used :70%</td> <td>48 Months</td> </tr> <tr> <td>Tractors</td> <td>New : 50 %</td> <td>36 Months</td> </tr> <tr> <td rowspan="2">Prime movers and Trailers</td> <td>New : 70 %</td> <td>60 Months</td> </tr> <tr> <td>Used :50%</td> <td>48 Months</td> </tr> <tr> <td>Plant & Machinery e.g. Cooling Plant</td> <td>New : 50 % Used : Nil</td> <td>60 Months</td> </tr> <tr> <td>PSV-Matatus,</td> <td>New: 50% Used: Nil</td> <td>36 Months</td> </tr> <tr> <td>PSV Taxis</td> <td>New: 70% Used: 60%</td> <td>36 Months</td> </tr> <tr> <td rowspan="2">Institutions and associations, Learning institutions, Churches.</td> <td>New: 90%</td> <td>60 Months</td> </tr> <tr> <td>Used: 70%</td> <td>48 Months</td> </tr> </tbody> </table> <p>Key :</p> <p>New: From Show room with zero mileage e.g. DT Dobie, CMC, and General Motors etc.</p> <p>Used: Reconditioned /Second Hand imported from Japan, Dubai etc. Not more than 10 years old from the date of Manufacture</p> <ul style="list-style-type: none"> • Hire Purchase Agreement and Letter of Conditional Release of the asset financed • Credit Life Insurance for the Borrower except for companies and Institutions • Comprehensive Insurance Cover over the financed asset to be obtained from Insurance Company in our panel with Faulu Interest duly noted on the policy • Motor Vehicles financed to be fitted with a tracking device lasting the loan tenure and full cost settled upfront through companies within Faulu Panel 	Security Type	Loan to Value	Max Period	Personal Cars	New :80 %	60 Months	Used:70%	48 Months	Commercial Vehicles	New:80%	60 Months	Used :70%	48 Months	Tractors	New : 50 %	36 Months	Prime movers and Trailers	New : 70 %	60 Months	Used :50%	48 Months	Plant & Machinery e.g. Cooling Plant	New : 50 % Used : Nil	60 Months	PSV-Matatus,	New: 50% Used: Nil	36 Months	PSV Taxis	New: 70% Used: 60%	36 Months	Institutions and associations, Learning institutions, Churches.	New: 90%	60 Months	Used: 70%	48 Months
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Loan Term	Up to 60 Months (Depends on the Nature of asset as per the Schedule above)
Repayment frequency and Mode	Options Available : <ul style="list-style-type: none"> • Direct debit from a Faulu Account to Loan Account • Termly (3 times a year) for Schools • Monthly through check off for employed people
Grace Period	No grace period
Loan Size	Up to KES. 100 Million
Disbursement Mode	<ul style="list-style-type: none"> • Direct disbursement through customer account to Asset Finance GL and dealers to be settled less the applicable upfront fees deductible from the Loan • Settlement of dealers via the bank's initiated free RTGS
Access Requirements.	<ul style="list-style-type: none"> • Eligible to customers who have banked with Faulu for at least 3 months • 6 months certified bank statements or 3 month recent pay slips, delivery receipts etc. • Evidence of ability to raise applicable deposit • A proforma Invoice of the Asset being financed from a reputable dealer (for both New & Used) • A copy of logbook for the Motor Vehicle being financed for Used Cars • A valuation report from a valuer in the Faulu panel to be obtained after preliminary appraisal for used Motor vehicles only • Certified Loan statements where applicable • Latest management accounts as at the time of application for Loans above 10 M where applicable • 3 year Audited accounts for loans above 10 M where applicable • List of duly aged debtors and creditors for loans above 10M • 1 year Cash flow projections for Loans above 10 M where applicable • Certificate of Incorporation & Memorandum and articles of Association for any company [NB:A company Search MUST be Contacted] • PIN Certificate / National I.D copy of the applicants of company directors • Copies of Trading License and other specialized licenses where applicable
Interest Rate	<ul style="list-style-type: none"> • 21 % RB P.a including Matatus. • 19% RB P.a for Institutions, Associations, Learning Institutions and Churches
Loans set up	<ul style="list-style-type: none"> • 3% of Principal • Credit Life: 0.6% P.A
Insurance	<ul style="list-style-type: none"> • Credit Life Insurance organized through the bank • The Asset Financed to be Comprehensively Insured with an Insurance company in the bank Panel with the bank Interest duly noted on the policy

Other charges	<ul style="list-style-type: none"> • Joint Registration Charges , Valuation fees , Advance Tax (for commercial vehicles) and Insurance to be borne by the Client • Option fee for vehicle discharge – Ksh15,000 – Ksh 20,000 • Annual review fee of Ksh 0.5% applicable for contracts running for more than 12 months 		
Late Payment Penalties	Lower	Upper	Charge/Penalty
	200,000	500,000	500
	500,001	1,000,000	1,000
	1,000,001	999,999,999	3,000
Process	Approval in 24 hours and Disbursement within 7 working days subject to perfection of security		

c) Insurance Premium Finance

Insurance Premium Finance (IPF)	
Purpose	<ul style="list-style-type: none"> • To support Individual and SMEs to pay Insurance Premium with reputable Insurance companies
Target	<ul style="list-style-type: none"> • Individuals and SMEs
Loan term	<ul style="list-style-type: none"> • Up to 10 months
Loan amount	<ul style="list-style-type: none"> • Min- KES. 3,000 • Faulu funded assets: Pegged on the Asset value • Non Faulu funded assets: Maximum Ksh 3M
Repayment terms	Monthly
Grace period	None
Security/Collateral	<ul style="list-style-type: none"> • Tripartite agreement for insurance premium refund on pro-rata basis in case of default (i.e. between Customer , Faulu and Insurance Company) • Chattels Mortgage over Livestock where IPF is for Livestock Insurance

Access Requirements	<ul style="list-style-type: none"> • Bank Statements for the last 6 Months • Clean credit history evidenced by a credit reference bureau report • Ability to repay • Two months installment to be paid upfront in cash to Business A/c <p>Individuals ,Sole proprietors and Partnerships</p> <ul style="list-style-type: none"> • Duly completed credit facility application form • PIN certificate and National I.D. (Original and copy) • Certificate of Registration (in case of registered enterprise/sole proprietorship and Partnerships) • Applicant to open an account with Faulu Microfinance Bank <p>Limited Liability Companies</p> <ul style="list-style-type: none"> • Duly completed credit facility application form • Resolution to Borrow by the company directors • Certificate of incorporation • PIN certificate and National I.D. (Original and copy) of all directors • PIN Certificate of the Company • A copy of Memorandum & Articles of Association • Applicant to open an account through Faulu Microfinance Bank 							
Other Access requirements	None							
Interest rate	Period Month	Kes 5,000- Kes 99,999	Kes 100,000- Kes 199,999	Kes 200,000 -Kes 299,999	Kes 300,000- Kes 399,999	Kes 400,000- Kes 500,000	Over Kes 500,000	
	4	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%	3.42%
	5	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%	4.28%
	6	5.13%	5.13%	5.13%	5.13%	5.13%	5.13%	5.13%
	7	5.99%	5.99%	5.99%	5.99%	5.99%	5.99%	5.99%
	8	6.84%	6.84%	6.84%	6.84%	6.84%	6.84%	6.84%
	9	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
	10	8.56%	8.56%	8.56%	8.56%	8.56%	8.56%	8.56%
Other Fees	None							
Top up feature	Available							
Customer Incentive	None							
Processing time	<ul style="list-style-type: none"> • Application at Branches and marketing offices • Response within 48 hours subject to credit approvals • Loan disbursed in form a Cheque to Insurance Company 							
Penalties	<ul style="list-style-type: none"> • At 6 % on the installment (s) in arrears • KES100 for late installment 							

Insurance renewal	<ul style="list-style-type: none"> Faulu funded assets: Automatic renewal terms and conditions captured at the offer letter (waving of rights) Non Faulu funded assets: Cancellation as per DRU notifications
Insurance cancellation	<ul style="list-style-type: none"> In cases where customer defaults on Assets financed by Faulu Insurance will only be cancelled after the asset has been repossessed. Refer to Terms and Conditions on the loans application form for assets financed by Faulu or Non Faulu funded assets

d) Faulu Landlord Loan

Faulu Landlord Loan (Informal/Alternative Securities)	
Loan Purpose	Personal development or business <ul style="list-style-type: none"> This is accessible by Landlords who have developed property with a stable rental income in Cities , Counties and Municipalities This product applies also to landlords who have leased property to Faulu Microfinance Bank who wish their repayment to be pegged on the rental payments
Target Clients	<ul style="list-style-type: none"> All landlords that have leased premises to Faulu Non Faulu Landlords
Eligibility Criteria	<ul style="list-style-type: none"> Open an account with Faulu Microfinance Bank Must be having a consistent rental income for the last 6 months as evidenced by the bank statements or Property Agent Statements Must have paid rates and rents to date (No arrears) Must have complied with the Local Authority Building regulations i.e. maximum number of floors, road and wetlands reserves, way leaves etc. Clean credit history evidenced by a credit reference bureau report Ability to repay Ownership Documents e.g. Title Deeds, Share Certificate, Allotment Letters etc. <p>Individuals /Sole proprietorships</p> <ul style="list-style-type: none"> Duly completed credit facility application form PIN certificate and National I.D. (Original and copy) Certificate of Registration (in case of registered enterprise/sole proprietorship) Applicant to execute deed of assignment over rental income A copy of Lease agreement with Faulu Microfinance Bank for those who have leased premises to Faulu Applicant to open an account through Faulu Microfinance Bank for Rent Remittance

	<p>Limited Liabilities Companies</p> <ul style="list-style-type: none"> • A copy of Memorandum & Articles of Association /Constitution /Trust Deed etc • Duly completed credit facility application form • Board Resolution to Borrow by the company directors • Certificate of incorporation • PIN certificate and National I.D. (Original and copy) of all directors. • A copy of Memorandum & Articles of Association • Applicant to execute deed of assignment over rental income • A copy of Lease agreement with Faulu Microfinance Bank for those who have leased premises to Faulu • Applicant to open an account through Faulu Microfinance Bank for Rent Remittance
Loan Size	Min KES. 50,000 - Max KES. 3M
Loan Term	<ul style="list-style-type: none"> • Faulu premises landlords- based on lease tenure – Max: 10 yrs. • Minimum 12 Months - Maximum 60 Months for non Faulu landlords
Security/Collateral	<p>a) Faulu Landlords- deed of assignment over the rental incomes from Faulu</p> <p>b) A Combination of Alternative Securities</p> <ul style="list-style-type: none"> • Original Allotment letters, Share Certificates, Logbooks, and Chattels etc. • A letter of Undertaking from the Landlord to remit/deposit rental income into an Account held at Faulu Microfinance Bank or a tripartite agreement between Faulu , Landlord and Agent to remit rent through Faulu until the loan is fully paid • Landlord to execute an express power of Attorney in favor of Faulu Microfinance Bank to sell the property in case of default • A valuation report over the property generating rental income confirming ownership and value of the Property • A caveat to be put with the Local Authority registry in favour of Faulu Microfinance Bank • Third party guarantees from other Landlords acceptable but NOT compulsory • Credit Life Insurance • All Perils Insurance over Premises generating rental income
Repayment Periodicity	Automatic Standing Orders from a Faulu account on Monthly or Quarterly depending on the frequency of rental income payments
Grace Period	Up to a Maximum of 6 Months
Interest Rate	25.67% RB
Other Fees	LSUF: 3% of Principal
Credit Life Insurance	Credit Life: 0.6% P.A
Other Insurance	All perils Insurance over the premises generating rental income
Top-up feature	Refinancing is available subject to appraisal when the existing loan is 50% paid

Processing Time	<ul style="list-style-type: none"> • Application at Branches and marketing offices • Response within 72 hours subject to credit approvals
Loan Recovery	Automated standing orders from a Faulu account to Loan Ac
Penalties	As per tariff
People	Branch Staff
Promotion	<ul style="list-style-type: none"> • Internal –Internal Communication • External – mass media ,Posters ,Fliers and Banners
Approval limits	All Loans to be recommended by Branch Credit Committees and Approved by Credit

e) Faulu Landlords & Estate Agents Loan (Fully Secured)

Faulu Landlords & Estate Agents Loan (Fully Secured).	
Loan Purpose	<ul style="list-style-type: none"> • Personal, development or business • This is accessible by Landlords who have developed property with a stable rental income in Cities and Counties
Target Clients	<ul style="list-style-type: none"> • This product targets landlords who have contracted Agents to manage their properties on their behalf. • The landlords who are contracted to the specific agents who will have signed MOUs with Faulu. • All landlords with or without title deeds in cities , Counties and Municipalities • Property management Agents who have signed MOUs with Faulu
Eligibility Criteria	<ul style="list-style-type: none"> • Open an account with Faulu MFB Ltd • Must be having a consistent rental income for the last 6 months as evidenced by the bank statements and Property Agent Statements. • Ability to repay-We shall commit a maximum of 70% of the current rent income to loan repayment • Agents must have a minimum turnover of KES.1.5M • Agents must have been in operation for 2 years • Only agents incorporated as companies will be considered • The rent shall be collected by property agents who will be vetted and approved by Faulu and who will sign MOUs with the Bank. • Clean credit history evidenced by a credit reference bureau report • Ownership Documents I.e. Original Title Deeds /Share Certificate/ Allotment Letters/Valid Lease agreement <p>Individuals /Sole proprietorships</p> <ul style="list-style-type: none"> • Duly completed credit facility application form • PIN certificate and National I.D. (Original and copy). • Certificate of Registration (in case of registered enterprise/sole proprietorship) • Applicant to execute deed of assignment over rental income

	<ul style="list-style-type: none"> Applicant to open an account through Faulu MFB Ltd for Rent Remittance <p>Limited Liabilities Companies/Registered Corporate entities</p> <ul style="list-style-type: none"> A copy of Memorandum & Articles of Association /Constitution /Trust Deed etc. Duly completed credit facility application form Board Resolution to Borrow by the company directors Certificate of incorporation PIN certificate and National I.D. (Original and copy) of all directors. A copy of Memorandum & Articles of Association Applicant to open an account through Faulu Kenya MFB Ltd for Rent Remittance
Loan Size	<ul style="list-style-type: none"> KES. 50,000 to KES. 180M SOL (Single Obligor Limit) Loan Amount capped at 70% of the Agents commission per month
Loan Term (Min.-Max.)	<ul style="list-style-type: none"> Faulu premises landlords- based on lease tenure – Max: 10 yrs. Minimum 12 Months - Maximum 60 Months for non Faulu landlords Minimum 12 Months - Maximum 60 months or the outstanding lease period whichever is lower for Agents
Security/Collateral	<p>a) Faulu Landlords- deed of assignment over the rental incomes from Faulu</p> <p>b) Tangible Securities</p> <ul style="list-style-type: none"> First Legal Charge over the property generating rental income or other tangible securities subject to Valuation and Collateral Margins adhered to Deed of Rental assignment Credit Life Insurance to be negotiated with reputable companies All Perils Insurance over premises with Faulu Interest Noted on the Policy Memorandum of understanding(MOU) between the bank and the agent Deed of assignment of rent over the subject property to be executed in Favor of Faulu MFB LTD Memorandum of deposit of title over Original title deed/Lease certificate/Allotment Letters/Share Certificates/Valid lease agreements A caveat to be put with the land registry/Local Authority registry by Faulu MFB Ltd for cases where formal titles exist Tripartite agreement between the bank, the agent and the landlord to be executed Loans against registered leased property, clients will access up to Kshs.2M
Repayment Periodicity	Automatic Standing Orders from a Faulu account on Monthly or Quarterly depending on the frequency of rental income payments
Grace Period	No Grace period(Product targets existing landlords)
Interest Rate	<ul style="list-style-type: none"> 21% RB for loans < 3Million 20% RB for loans > 3 Million and <= 10 Million 19% RB for loans > 10 Million

Other Fees	LSUF 3% of Principal
Credit Life Insurance	Credit Life: 0.6% p.a.
Other Insurance	All perils Insurance over the premises generating rental income to be undertaken through Faulu Insurance Agency (This is applicable for permanent structures)
Top-up feature	Refinancing is available subject to appraisal during the tenure of the loan.
Processing Time	<ul style="list-style-type: none"> • Application at Branches and marketing offices • Response within 24 hours subject to credit approvals
Loan Recovery	<ul style="list-style-type: none"> • Rent to be collected by the property agent and proceeds channeled through the Landlord's operative account in Faulu • Automated standing orders from a Faulu account to Loan Ac
Penalties	As per tariff
Promotion	<ul style="list-style-type: none"> • Internal –Internal Communication • External – direct marketing through the agents
Approval limits	All Loans to be recommended by Branch Credit Committees and Approved by Credit as per the set credit approval limits

f) Cash Covered Loan

Cash Covered Loan (Lengo Loan)	
Target	All clients who have Lengo or Fixed deposit accounts
Cash Limit (Amount)	Up to 90% of the Lengo, Fixed deposit or term accounts balance at the time of loan application. One can take the loan on the cumulative account balances of the various Lengo or fixed deposits accounts.
Purpose	Emergency loan
Time Limit	Lengo or Fixed deposit contract Term – The loan term shall be linked with the contract term or If the loan tenure is not marching with fixed deposit tenure customer to provide roll over instructions, letter of lien and set off.
Security	Lien on 100% of the account balance(s) in the Lengo or fixed deposit account(s) until completion of the loan
Repayment Terms	Weekly or monthly
Interest rate	FD contract rate + 6% as illustrated below; A loan taken against a term deposit earning 10% will be priced at 16% RB
Processing fees	Nil
Other Fees	Credit Life: 0.6% P.a

Late Payment Penalties	<ul style="list-style-type: none"> At the prevailing interest rate
Promotion	<ul style="list-style-type: none"> Posters, fliers, banking hall TV screens and SMS alerts
Loan Application	<ul style="list-style-type: none"> Customer will fill loan application form in the bank holding his/ her account. Clients applying for loans above Ksh.10M must go for medical examination upon the issuance of a medical letter from Faulu MFB Ltd under the Faulu MFB Agency Limited to be presented to an approved relevant medical service provider in the panel Offer letter and Letter of lien will be signed before disbursement <ul style="list-style-type: none"> Disbursement and Repayment in the Operative account
Disbursement & Repayment	

g) Faulu Overdraft

Faulu Overdraft																						
Purpose	To finance short term financials needs																					
Security	<p>Flexible Collaterals Subject to risk assessment and appraisal First Legal Charge over the title deeds, Joint Registration and Chattels Mortgage over Motor Vehicles, Lien on Quoted Shares, Fixed Cash held on FDR account, Lengo A/c, debentures and stock.</p> <p>Applicable Collateral Margins and Loan Terms to be observed for all Collaterals</p> <table border="1"> <thead> <tr> <th>Security Type</th> <th>Loan To Value (Margin)</th> <th>Max Period</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>90%</td> <td>12 Months subject to FD term</td> </tr> <tr> <td>Motor Vehicles</td> <td>50 % FSV</td> <td>12 Months</td> </tr> <tr> <td>Quoted Shares</td> <td>50% OMV</td> <td>12 Months</td> </tr> <tr> <td>Debentures, stock and chattels</td> <td>50% OMV</td> <td>12 Months</td> </tr> <tr> <td>Titles [Developed]</td> <td>50% FSV –Agricultural 60% FSV Towns 60 % OMV Ex- municipalities 70 % OMV Cities</td> <td>12 Months</td> </tr> <tr> <td>Titles [undeveloped]</td> <td>50% FSV –Agricultural 50% FSV Towns 50 % FSV Ex- Municipalities 60 % FSV Cities</td> <td>12 Months</td> </tr> </tbody> </table>	Security Type	Loan To Value (Margin)	Max Period	Cash	90%	12 Months subject to FD term	Motor Vehicles	50 % FSV	12 Months	Quoted Shares	50% OMV	12 Months	Debentures, stock and chattels	50% OMV	12 Months	Titles [Developed]	50% FSV –Agricultural 60% FSV Towns 60 % OMV Ex- municipalities 70 % OMV Cities	12 Months	Titles [undeveloped]	50% FSV –Agricultural 50% FSV Towns 50 % FSV Ex- Municipalities 60 % FSV Cities	12 Months
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	Key : OMV –Open Market Value FSV –Forced Sale Value
Overdraft Term	Up to a maximum of 12 months
Cash Amount	Based on ability to pay but subject to single borrower limit
Access Requirements.	<ul style="list-style-type: none"> • 6 months Certified bank statements • Certified Loan statements where applicable • Latest management accounts as at the time of application for OD above 1.5 M • 3 year Audited accounts for OD above 1.5M • List of duly aged debtors and creditors for OD above 1.5 million • 1 year Cash flow projections for OD above 1.5 M • Certificate of Incorporation & Memorandum and articles of Association for any company • Annual Returns for the last 3 years for Companies • PIN Certificate / National I.D copy • Copies of Trading License and other specialized licenses where applicable
Interest Rate	22% P.A on reducing balance
Additional default interest	1.5% P.A on reducing balance
Overdraft processing fee	3 % of the face value
Credit life insurance	0.6% P.A
Other Insurance	<ul style="list-style-type: none"> • All perils insurance for company assets including stock to be organized from reputable companies in our Panel and Faulu Interest Duty noted on the Policy • Fire and all perils for Houses , Comprehensive Insurance for Motor Vehicles offered as security to be obtained from reputable companies with Faulu Interest Duty Noted on the Policies
People	Dedicated SME Relationship Officers and branch managers

h) Temporary Overdraft

Temporary Overdraft	
Purpose	<p>To finance short term financials needs like :</p> <ul style="list-style-type: none"> ○ Working Capital (Business Chap Chap , Temporary Inward Cheques Accommodation , ○ Payroll finance and Temporary excesses) ○ Salary Advance ○ Short term Emergencies

Temporary Overdraft	
Security	Cash flow based for businesses and Salary based for Salaried People
Overdraft Term	A maximum of 90 Days
Overdraft Amount	Up to a Maximum of KES. 3 Million
Access Requirements.	<ul style="list-style-type: none"> The client must have operated an Account for a minimum of 3 months consistently Salary must have been paid through Faulu account for a minimum of 3 Months
Commission	<ul style="list-style-type: none"> 5 % upfront for business accounts one off 10% upfront for salary accounts one off
Interest Rate	20.5 % P.A reducing balance
Additional default interest	1.5% P.A on reducing balance
Credit life insurance	N/a

i) Faulu Milele Mortgage

Faulu Milele Mortgage	
Target client & Market segment	<ul style="list-style-type: none"> Salaried people Employees Working with Employers who do not have an MOU with Faulu Business people Sacco members Clients within existing MOUs with Faulu County employees Civil Servants and Teachers
Loan amount	Minimum KES. 50,000 , Maximum 15M
Purpose	<ul style="list-style-type: none"> Purchase of completed residential house Building materials Construction financing Financing development of ancestral land with a different security
Loan term	Maximum 7 years/84 Months
Repayment Frequency	Monthly
Grace Period	None
Benefits	<ul style="list-style-type: none"> 100% financing for salaried staff and business customers OR 80% financing on Plot acquisition The Client will benefit from negotiated services for Architects , Quantity Surveyors , Engineers etc. within Faulu panel
Security	Title deed of the plot or house being bought /constructed Any other conventional security

Access Requirements	<ul style="list-style-type: none"> • Salaried clients – client to retain 1/3 of the pay after mortgage deduction, the loan term will be limited to the remaining contract period or term to retirement. • Phased financing (disbursements in tranches) • The Customer should have a stable existing income to service the mortgage over the loan term • The client can only access either plot loan or Construction but not both at any one time • The Plot being developed or house being bought must be within Former Municipalities or Cities. Exemption can be given for houses being constructed outside the said boundaries on Condition that an alternative qualifying security will be provided
Price (Fees / Charges)	16% p.a Reducing balance

j) Real Estate Loan

Real Estate Loan	
Target	<ul style="list-style-type: none"> • Land buyers-Individual, investment groups, small SACCOs, land buying companies • Low Cost Property Developers who already have existing land for Development • Commercial real estate owners
Purpose	<ul style="list-style-type: none"> • Purchase of land for subdivision and subsequent sale • Purchase of plots • Development of existing plots • Completion of partly developed houses
Benefit/ Customer Value proposition	<ul style="list-style-type: none"> • Access up to 100% financing of the Development Cost • Access up 90% of the purchase price for Plot/Land acquisition • Consideration of future income from the projects (rent/sales of houses) (the customer should have sufficient funds to pay the interest) • Flexible repayment period up to 6 years • Flexible grace period
Loan Size (Min.-Max.)	From KES. 5,000 to KES. 350M
Duration of Loan	Minimum of 3 months Maximum 7 years
Security/Collateral	Property being purchased or any other conventional collateral
Repayment Periodicity	Monthly, quarterly , Termly or semi-annually
Grace Period	Negotiable to a maximum of one year (interest payable during grace period)
Access Requirements	<ul style="list-style-type: none"> • 6 Months Certified Bank statements for non-Faulu account holders • The Loan to be disbursed in Tranches (partial disbursements) subject to receipt of Construction Certificates at different development stages

	<ul style="list-style-type: none"> • For both Plot purchase and development loans, the plot /development must be within the former municipality boundaries or cities • The land must have a valid title • The Client must have obtained the necessary approvals from the relevant authorities • Sale agreements or offer for sale
Interest Rate	18.5% Reducing Balance

k) Ushirika Loan

Ushirika Loan	
Purpose	<ul style="list-style-type: none"> • This is a loan product for development projects and purchase of assets for both churches and registered groups are also included.
Target	<ul style="list-style-type: none"> • Church and eligible groups. (CBOS,NGOs)
Loan term	<ul style="list-style-type: none"> • 50,000 to 500,000 Max 36 Months • 500,001 to 50M Max 84 Months
Loan amount	<ul style="list-style-type: none"> • Minimum KES. 50,000 • Maximum KES. 50M
Repayment terms	<ul style="list-style-type: none"> • Automated standing order
Grace period	<ul style="list-style-type: none"> • To be considered on case to case basis
Security/Collateral	<ul style="list-style-type: none"> • Formal Securities other than the church sanctuary to be perfected <ul style="list-style-type: none"> • Title deeds • Log books • Shares • Fixed Deposit
Access Requirements	<ul style="list-style-type: none"> • Open Ushirika account for the Church/ Group and transfer banking to Faulu. • The church/Group to continue Banking all the proceeds after disbursement • 6 month Certified bank statement • Registration documents • Resolution to borrow and Minutes for the group • Trust deed, constitution and memorandum and articles • Copies of I.D. and PINS for the officials • 3 year Audited accounts for loans above KES. 10M • 1 year Cash flow projections for Loans above KES. 10 M
Interest rate	<ul style="list-style-type: none"> • 19% p.a RB-For amounts equal to or greater than KES. 10M • 20% p.a RB-For amounts greater than KES. 100,000 and less than KES. 10M • Additional interest for account non-utilization: 3% p.a RB is applicable after 6 months of account non-utilization

Other Fees	<ul style="list-style-type: none"> • Credit Life - Nil • Loan set-up 3% of face value • Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running for more than 12 months
Top up feature	<ul style="list-style-type: none"> • Top up available.
Processing time	<ul style="list-style-type: none"> • Approval within 5 working days

I) Bids, Bonds & Guarantees

Bid Bonds & Guarantees	
Purpose	<ul style="list-style-type: none"> • Facilitation of smooth business flow • To expand business opportunities • Help customers manage their business risks • Help customers manage their supply chain
Target	<ul style="list-style-type: none"> • Business clients in supplies and contracting business with Governments, Parastatals , Private Entities, Distributors
Loan term	<ul style="list-style-type: none"> • Up to 1 year , renewable
Loan amount	<ul style="list-style-type: none"> • Bid Bonds (5-10% of Project Cost): Up to Kes 15M Unsecured up to Kes 5M subject to ability • Bank Guarantees/ Performance Bond up to 150M
Repayment terms	<ul style="list-style-type: none"> • N/A
Grace period	<ul style="list-style-type: none"> • None
Security/Collateral	<p>Bid bond above Kes 5M</p> <ul style="list-style-type: none"> • Secured by cash or conventional security forming aggregate of 100% subject to credit appraisal <p>Bank Guarantees</p> <ul style="list-style-type: none"> • Secured by cash or conventional security forming aggregate of 100% subject to credit appraisal <p>Performance Bond</p> <ul style="list-style-type: none"> • Secured by cash or conventional security forming aggregate of 100% subject to credit appraisal
Access Requirements	<ul style="list-style-type: none"> • Account holders including new accounts
Other Access requirements	<ul style="list-style-type: none"> • None
Interest rate	<p>Bid Bonds</p> <ul style="list-style-type: none"> • 1% on issuance of Bid Bond subject to a minimum of Kes 5,000

	<p>Bank Guarantees</p> <ul style="list-style-type: none"> • 3 % PA subject to a minimum of Kes 5,000 <p>Performance/Contract Bond</p> <ul style="list-style-type: none"> • 1.5 % per quarter subject to a minimum of kes5,000
Other Fees	<p>Bid Bonds, Bank Guarantees, Performance Bond</p> <ul style="list-style-type: none"> • Amendment fee 2% P.A with a minimum of Kes 2,000 • Cancellation fee Kes 2,000 • Confirmation KES 2,000 flat fee
Top up feature	<ul style="list-style-type: none"> • N/A
Processing time	<ul style="list-style-type: none"> • Approval at branch based on credit policy guidelines

m) Cheque Discounting

Cheque Discounting (Payment against uncleared cheques)	
Target market	Business clients and individual who are paid in form of cheques by reputable institutions with need for instant liquidity
Eligibility	All active account holders who have held an account for at least 3 months Personal cheques and other unrepeatable drawers will not be eligible
Requirements	<ul style="list-style-type: none"> • Appraisal and pre-approval in prescribed template • The drawer of the cheque must be a reputable institution with no past records of unpaid cheques • The account must be reasonably active for at least three months • Personal cheques, related entity cheques and foreign currency cheques do not qualify for discounting • Evidence of the source of payment • Three cleared cheques from that institution • Cheque must have been received and met clearing requirements
Process	<ul style="list-style-type: none"> • Normal KYC before a transaction • Call back to the drawer • A cheque is discounted to the maximum of 50%

Amount	Total exposure at any one time to a max KES. 1,000,000
Charges	3% of the amount discounted deducted automatically upfront

n) Invoice discounting

Invoice discounting	
Target	Retail Bulk Suppliers – e.g. Tuskys, Naivas, transporters, oil companies, whole sellers ,manufacturing concerns cement suppliers, raw material suppliers
Purpose	Working Capital
Benefit/ Customer Value proposition	<ul style="list-style-type: none"> • Flexible security • Convenience of payment • Access to instant cash
Loan Size	Max 80% of invoice
Duration of Loan	Max 90 days subject to credit term of invoice
Security	<ul style="list-style-type: none"> • Commitment by creditor to make payment through Faulu • Conventional security
Repayment Periodicity/Installment	Lump sum
Grace Period	Not applicable
Access Requirements	<ul style="list-style-type: none"> • Bank with Faulu for 3 months • Invoice not to exceed 3 months average turnover • Well established companies / prequalified companies
Price	3% processing fee
Interest Rate	1% per month
Processing time	24 hours
Disbursement	Instant disbursement upon verification
Penalties	2% per month

o) Wholesale Loan

Wholesale Loan	
Target	Insurance companies, fund managers, insurance brokers, investment banks, stock brokers, Small Banks, MFIs, SACCOS
Market need	<ul style="list-style-type: none"> • Short term financing/placements • Collection accounts for customers loan repayment

	<ul style="list-style-type: none"> Overnight Lending/Credit lines
Benefit	<ul style="list-style-type: none"> Flexible collateral arrangements Liquidity management TAT on services Dedicated relationship manager
Security	<ul style="list-style-type: none"> Cash Deposits GOK bills/bonds
Loan Term	Up to a maximum of 12 months
Repayment frequency	Monthly- Automated from Business Account to Loan Account
Grace period	Not Applicable
Loan Size (Amount)	No Minimum; Maximum limited to securities offered.
Access Requirements	<ul style="list-style-type: none"> Active transactional account Business registration certificate by Registrar of Companies Latest management accounts as at the time of application for Loans above 1.5 M 3 year Audited accounts for loans above 1.5M
Interest Rate	Deposit rate+3% Multiplied by a factor of 1.711 , or GOK 91 days TB rate +3% Multiplied by a factor of 1.711
Processing fees	1.5 % of loan amount
Credit Life Insurance	Not applicable
Late Payment Penalties	Not applicable
Top up feature	Available upon review & 50% un-defaulted repayments
Application to disbursement time	Within 7 days from date of signing the offer letter

p) Loan Fund Management Facility

Loan Fund Management Facility	
Target	The facility targets employers who want to outsource management / administration of Loan Fund
Benefit	No loan administrative hassles to the Employer Convenience and fast processing of loans Employer can concentrate on their core business /area of expertise
Security	<ul style="list-style-type: none"> Fixed Deposit to be placed in Faulu as a Security Total Exposure Under Loan Fund Mgt. should not exceed 90% of the Fixed Deposit at any one time Assets being Financed
Loan Term	As per Agreement with Employer

Repayment frequency	Monthly
Grace period	As per Agreement with Employer
Loan Amount & Top ups	As per Agreement with Employer
Access Requirements	Loan Fund Management Agreement between Faulu and the Employer
Price	
Interest Rate	Rate offered on Fixed Deposit held as Cash Collateral plus a margin of 0% -9% P.A RB
Processing fees	LSUF:3% one off
Credit Life Insurance	0.6%
Approval	Within 24 Hours

q) Business Chap Chap Mobile Loan

Business Chap Chap Mobile Loan	
Target Market	Business clients
Product description	Faulu Business Chap Chap is a small, short term unsecured loan given to business banking customers with a cash emergency to cover working capital needs
Purpose	To address emergency working capital needs arising from peak period business opportunities like weekends and long holidays
Eligibility	<ul style="list-style-type: none"> All Active account holders who have held an account for at least 3 Months For 30 Days chap chap borrower must have existing secured performing facility Blacklisted clients not eligible
Process	<ul style="list-style-type: none"> Automated and available on M-banking Client issue cheque payable to distributor against pre-approved limit marked in the system *Customized/guaranteed Cheques payable to distributors(based on agreement with distributors)
Amount	KES. 10,000 – KES. 500,000
Charges	10% one off minimum KES. 1,000
Security	Borrower must have existing secured performing facility
Term	30 Days – Pre-qualified and limit marked in the system

Statement of Lender and Borrower Responsibilities

Our lending commitments

As a lender, we have a responsibility to act fairly and as part of this we have committed to follow the Standards of Lending Practice which are monitored and enforced by the Central Bank of Kenya (CBK)

This note sets out some of our key responsibilities and what we ask of you, to ensure that the relationship works well for both of us.

- We will lend responsibly and aim to provide a product that is affordable for you
- We will provide you with information about our products and services and how they work, in a clear and understandable way, so that you can decide what's best for you and your needs
- We will endeavour to make sure our products and services offer, wherever possible, the flexibility to meet your needs
- We will always treat you fairly and reasonably and make sure that you are provided with a high level of service
- If you tell us about any inaccuracies, for example around the personal information we hold about you, we will act quickly to put it right
- We will always aim to help you if we see, or you tell us, that you are having trouble financially. We will seek to understand your overall circumstances, try and identify options that you can afford and where appropriate, provide a reference to free debt advice.

What we ask of you

- We ask you to think carefully about whether you can afford to repay the money you want to borrow and to be open in your dealings with us
- Take care of any cards, PINs, online log-in details and other security information to help prevent fraud and help us to protect your account
- Tell us as soon as possible if your card has been lost or stolen, or if you know or suspect someone is misusing your confidential information e.g. your PIN or online/mobile banking login details
- Carefully check your account statements to make sure they are accurate. If anything isn't right, please get in touch with us.

Please let us know if;

- Your contact details change, so we can keep our records up to date
- Your circumstances change, particularly if what's happened is likely to cause you difficulties in managing your account or financial problems
- You think that you won't be able to keep up with your repayments. The sooner you do this, the more likely it is we'll be able to find a way to help you
- We would also encourage you to refer to the terms and conditions associated with your current account or personal loan

Amendments Chronology

Revision Date	Doc Version	Summary of Changes
6 th November 2019	November 2019 Edition 01	Original

APPENDIX

I. KYC & Loan Application Requirements Check list

A. LIABILITIES/DEPOSIT PRODUCTS

KYC ACCOUNT OPENING REQUIREMENTS

For Individuals

- Complete account opening form
- Original and Copy of National ID or Valid Passport
- 2 passport photos
- A copy of KRA PIN Certificate
- Letter of Introduction /Recommendation from existing account holder, or staff or group officials or community/market leader OR Reference Letter from a religious leader or chief to be addressed as in ordinary account

Registered Groups / Associations

- All of the above under individuals
- Registration certificate
- Constitution
- Minutes showing modalities for operating account

Institutions / Companies

- All of the above under individuals
- Certificate of Registration
- Memorandum & Articles of Association

B. ASSETS/LOANS AND ADVANCES

MSME COMPANY REQUIREMENTS

- Duly completed credit facility application form
- Resolution to Borrow by the company directors
- Certificate of incorporation/Registration
- Business permits and operating licenses (where applicable)
- Company Profile (Company History & Nature of Business)
- Directors Profiles/Resume
- Proposal /Reason for borrowing/ business plan

- Proforma invoices for new vehicles, sale agreement and valuation report for used vehicles (for asset finance where applicable)
- Passport/ID/Entry permit copies for all directors (where applicable)
- Copy of PIN certificate for all directors (where applicable)
- Memorandum & Articles of Association
- Projected Cash flow for the period of the loan
- Audited Accounts (for at least the last three financial years)
- Six months Bank Statements of all operative accounts (Certified/Authenticated where applicable)
- All loan accounts statements from inception (Certified/Authenticated where applicable)
- Letters of offer for existing loans (where applicable)
- Copy of Annual Returns/Tax compliance certificate
- Details of collateral offered and supporting photos
- Aged list of Debtors & Creditors and stock listing. (Where applicable)
- Tenancy/Lease agreement. (Where applicable)
- Sketch map of residence and business premises
- Photos of residence and business premises

MSME INDIVIDUAL/SOLE PROPRIETORSHIP REQUIREMENTS

- Duly completed credit facility application form
- Personal Profile/Resume/Curriculum vitae (History & Nature of Business)
- Certificate of Registration (in case of registered enterprise/sole proprietorship)
- Business permits and operating licenses (where applicable)
- Proposal /reason for borrowing/business plan
- Passport/ID/entry permit copies (where applicable)
- Copy of PIN certificate
- Proforma invoices for new vehicles, sale agreement and valuation report for used vehicles (for asset finance where applicable)
- Six months Bank Statements of all operative accounts (Certified/Authenticated where applicable)
- All loan accounts statements from inception (Certified/Authenticated where applicable)
- Letters of offer for existing loans (where applicable)
- Details of collateral offered and supporting photos
- Three latest original pay slips (where applicable)
- Letter of introduction from employer supporting the application and undertaking to remit the salary to the customer's account with us until the loan is fully repaid (where applicable)
- Copy of the employment contract
- Projected Cash flow for the period of the loan (where applicable)
- Audited/Management accounts for the last three years (where applicable)
- Aged list of Debtors & Creditors and stock listing (Where applicable)
- Sketch Map of residence and Business premises
- Photos of residence and business premises

RETAIL LOANS REQUIREMENTS

- Duly filled loan application form
- Certified 2 recent passport size photos
- Certified Copy of client's National ID
- Borrower's left hand thumb print (to be easily visible and defined)
- Certified copies of guarantors' National IDs
- Certified Copy of client's KRA PIN
- 3 Original current consecutive pay slips (Certified by the employer)
- Certified Current employment letter
- 3 months' salary statement (Certified and Authenticated)
- Third rule computation

GROUP LOANS

- Duly completed credit facility application form
- ID copies (where applicable)
- Copy of PIN certificate
- Clean CRB Report
- Group guarantee and approval signed by all group members
- Loan amount does not exceed group LSF
- Borrower has not borrowed more than 5 times his/her LSF
- Compliance to graduation policy for loans below Kshs. 100,000
- Confirmation that borrower has been attending group meetings
- Group constitution requirements met
- Sketch Map of residence and Business premises
- Business and chattels photos for all loans over Kshs. 250,000

The following documents are required for **MSME** appraisal **in addition** to the Basic documentation

a) Construction loans

- Approved architectural and structural plans
- Bill of quantities showing the cost of work done and outstanding work
- Copy of the title deed for the property
- Environmental impact assessment report
- Copy of Contract between Contractor and Borrower
- CV and licenses of the Contractor

b) Loans for Micro Credit Companies

- Data on portfolio of the company
- Summary of OLB growth since inception i.e. Month by Month
- Type of loans offered and Interest rates charged
- Max tenor of loans
- Portfolio at Risk
- Check off code by the government of Kenya
- CV of the directors and Key personnel

c) LPO Financing

- LPO from reputed institutions
- Letter of undertaking from employer
- Security details
- Copy of tender document
- Proforma invoice showing the costing of the materials to be supplied
- 3 Copies of previous LPOs serviced in the last one year with payments evidenced in the account

d) Guarantees

- Customer's request
- Format of the guarantee
- Bank's counter indemnity form duly executed and witnessed by an advocate
- Security details

e) Invoice discounting

- Invoices from reputed institutions
- Undertaking from employer
- Security details
- Copy of tender document
- 3 copies of previous invoices successfully paid as evidenced in the account statements

f) Retail MOUs

- Audited Accounts for the last 3 years
- Original HR document stamped or on letter head of Institution advising number of staff (Permanent & Contract), Salary scales and staff turnover for permanent staff for last 3 years
- Bank statements (Where applicable)
- Company Profile
- Number of students & fee structure (for Universities)

II. Tariff Guide



Tariff Guide_June
2018

III. Credit Policy



REVISED CREDIT
POLICY- 2018.pdf

IV. Accounts & Customer Relationship General Terms & Conditions



General Terms and
Conditions.pdf