

September 2020 Edition 1



## FAULU MFB KEY FACTS DOCUMENT (KFD)

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## 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																							
<b>Target</b>	Mass and Mass Affluent																						
<b>Purpose</b>	A transactional account that allows for unlimited withdrawals																						
<b>Product Features</b>	<ul style="list-style-type: none"> <li>• Minimum operating balance of KES. 200</li> <li>• Unlimited withdrawal</li> <li>• No monthly ledger fees</li> <li>• No account maintenance fees</li> <li>• Competitive interest rates of up to 3.50% P.A</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left;">HAZINA INTEREST RATES</th> </tr> <tr> <th style="width: 33%;">Min.</th> <th style="width: 33%;">Max.</th> <th style="width: 33%;">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)																							
<b>Minimum Operating Balance</b>	KES. 200																						
<b>Minimum Interest Earning Balance</b>	KES. 3,000																						
<b>Ledger fees</b>	Nil																						
<b>Deposits</b>	Cash handling fees apply as per tariff guide																						
<b>Withdrawal Over the Counter</b>	Applicable as per tariff guide																						
<b>Withdrawal at ATM</b>	Apply as per tariff guide																						
<b>Inter account transfers (internal accounts)</b>	KES. 50																						
<b>Account Closing Fees</b>	KES. 200																						

**b) Faulu salary Account**

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

**c) Faulu Personal Multicurrency Account**

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

**d) Faulu Digital Account**

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

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

e) **Boda Boda Account**

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

**f) Individual Rent Collection Account**

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

**g) Individual Premier Account**

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

## h) Maisha Account

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

<b>Interest</b>	5% p.a on minimum monthly balance
<b>Minimum Operating Balance</b>	Ksh 200
<b>Withdrawal Frequency</b>	Unlimited
<b>Applicable Alternative Channels</b>	<ul style="list-style-type: none"> <li>• Mobile banking</li> <li>• Cheques</li> <li>• VISA Debit Card</li> </ul>
<b>Incentives</b>	<ul style="list-style-type: none"> <li>• Branch staff incentive of 10% for every Maisha account opened and full premium paid. (The staff gets 8% and BM/HOD 2%)</li> </ul>
<b>People</b>	All Staff
<b>Process</b>	
<b>Claims Processing Time</b>	<ul style="list-style-type: none"> <li>• Within 48 Hours for Last Expense</li> <li>• Within 5 days for Accidental claims subject to full documentation requirements met</li> </ul>
<b>Onboarding &amp; Claims Procedure</b>	<ul style="list-style-type: none"> <li>• Fill the normal savings account opening form and indicate Maisha account</li> <li>• 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</li> <li>• In case of             <ol style="list-style-type: none"> <li><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</li> <li><u>Death Benefit</u>:-Provide death certificate and ID</li> <li><u>Permanent Total disability</u>: Medical reports</li> <li><u>Medical Cash/costs</u>: Original medical receipts</li> </ol> </li> </ul> <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"> <li>1 Free bankers' cheque per quarter for payment of school fees</li> </ul>

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

**b) Hazina Plus Account**

## Hazina Plus Account

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

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

**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.

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

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

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

**b) Faulu Chama Account**

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

c) Imani Multicurrency Account

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

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

**d) Faulu Investment Account**

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

e) **Faulu Rent Collection Account**

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

**f) School Collection Account**

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

**g) Government collection Account**

<b>Government Collection Account</b>	
<b>Target</b>	County, Parastatals, CDFs, County Sacco, Water and sanitation Companies Project Groups.
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To facilitate easy and convenient collection of fees rates bills, levies, taxes, loading zone parking fees</li> <li>Management of scheme funds</li> </ul>
<b>Product Benefits/Customer value proposition</b>	<ul style="list-style-type: none"> <li>Collection of fees, rates, bills, levies &amp; taxes</li> <li>Fully manage collection by the way of establishing agency services in county office with Faulu staff</li> <li>Remitting of payment to pay salaries and suppliers.</li> <li>Establish a fully integrated Pay bill option. Alerting the payer and the receiving target company [Water, KPLC]</li> <li>Convenience, saving on personal cost. Funds security, efficient revenue collection</li> <li>Debit card for fueling government vehicles</li> </ul>
<b>Account Opening Requirements</b>	Resolution by governing body, Gazette notices.
<b>For Individuals/signatories</b>	NID/Passport and Pin certificate
<b>Opening Balance</b>	KES. 2,000
<b>Minimum operating balance</b>	Nil
<b>ATM card policy</b>	Not eligible for debit card
<b>Ledger fees</b>	None
<b>Withdrawal Over the Counter</b>	KES. 100 Up to KES. 500,000 0.2% Above KES. 500,000
<b>Inter account transfers (Within)</b>	Free
<b>Account Closing Fees</b>	KES. 500
<b>Cheque clearing Fees</b>	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	
<b>Target</b>	<b>Industry Players in Established Fast Moving Consumer Goods Market :</b> Beer Distributors, Soda Distributors ,Oil Distributors Milk Distributors ,Cement Distributors etc.
<b>Purpose</b>	Address working capital needs to smoothen business flow from manufacturers to retailers
Account Opening Requirements	
	<ul style="list-style-type: none"> <li>• Memorandum &amp; Articles of Association</li> <li>• Certificate of Incorporation</li> <li>• National ID/Passport</li> <li>• Passport size photograph</li> <li>• Specimen signature card</li> </ul>
Price(Fees and Charges)	
<b>Minimum operating balance</b>	None
<b>Account Opening Amount</b>	KES. 5,000
<b>Interest rate</b>	Overdraft interest rates apply
<b>Withdrawal policy</b>	Unlimited
<b>ATM card policy</b>	Eligible for Visa Debit Card
<b>Monthly ledger fees</b>	NIL
<b>Overdraft</b>	Applicable as per marked limit
<b>Mobile Banking</b>	Mobile banking (Pay bill Business Number 328585)
<b>Ledger fees</b>	Nil
<b>Statement fees</b>	KES 50 per page Free online statement
<b>Withdrawal Over the Counter</b>	KES. 100 for amounts Up to KES. 500,000 0.2% for KES. 500,001s and Above
<b>Inter account transfers( Within)</b>	Free
<b>Account Closing Fees</b>	KES 1,000
<b>Inward Cheque clearing Fees</b>	As per tariff guide

**i) Business Premier Account**

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

**j) Group Welfare Account**

<b>Group Welfare Account</b>	
<b>Target Market</b>	Community Finance Groups
<b>Purpose</b>	Transactional account and a saving avenue for group welfare activities and settlement of group commitments
<b>Features and benefits</b>	<ul style="list-style-type: none"> <li>• Access to cheque book</li> <li>• Unlimited withdrawals</li> </ul>
<b>Price (Charges and Fees)</b>	
<b>Minimum Operating Balance</b>	KES. 200
<b>Withdrawal policy</b>	KES. 50 Up to KES. 500,000 0.2% Above KES. 500,000
<b>ATM card policy</b>	Not eligible for Visa Debit Card
<b>Monthly ledger fees</b>	Nil
<b>Internet and Mobile Banking</b>	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"> <li>• Minimum Opening Amount: KES. 5,000</li> <li>• Fixed Deposit Term: Min - 1 month, Max - 36 months</li> <li>• Interest accrued on maturity of term of deposit</li> </ul>					
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		

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

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

**c) Money Market - Notice Contract Faida plus**

<b>Faida Plus Account</b>								
<b>Product features and benefits</b>								
<ul style="list-style-type: none"> <li>Minimum Opening balance of KES. 5,000</li> <li>Term - Min - 6 Months, Max 24 months</li> <li>Interest capitalized on maturity of term of deposit</li> <li>Access to interest of up to 10% P.A on deposits and affordable cash covered loans within a 2 year plan</li> </ul>								
<b>Interest earning rates</b>								
<b>Amount</b>	<b>6 M</b>	<b>&gt;6 - 9</b>	<b>&gt;9 - 12</b>	<b>&gt;12 - 15</b>	<b>&gt;15-18</b>	<b>&gt;18 - 21</b>	<b>&gt;21 - 24</b>	
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%	
<b>Price (Fees / Charges)</b>								

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

#### d) Lengo Account

Lengo Account										
<b>Product Features</b>										
<ul style="list-style-type: none"> <li>• Minimum opening balance of KES.1,000</li> <li>• Minimum savings plan of 3 months and up to a maximum of 10 years</li> <li>• Minimum monthly deposit of KES.100</li> <li>• 1 Free Banker's cheque per contract</li> <li>• Free inter account transfers</li> </ul>										
<b>Deposit policy</b>										
<ul style="list-style-type: none"> <li>• Minimum contract period – 3 months</li> <li>• Maximum contract period- 10 years</li> <li>• Min. monthly deposit – KES.100/-</li> <li>• No. of deposits dependent on contractual amount and client's ability</li> <li>• Saving more than contract amount is allowed but withdrawal policy holds i.e. no withdrawal</li> </ul>										
<b>Withdrawal policy</b>										
<ul style="list-style-type: none"> <li>• Withdrawal on maturity</li> <li>• Premature withdrawal to be discouraged. May however be allowed but with penalty. <i>see penalty section</i></li> <li>• Can roll over/renew the contract upon maturity</li> <li>• Renewal instructions to be given 1 month before contract expiry</li> </ul>										
Interest accrued on minimum monthly balance and paid on maturity at 1%p.a- 6 % P.A on a tiered scale										
<b>Lengo Interest Rates</b>										
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)

<b>Penalties</b>	Penalty for breaking contract – 100% interest forfeiture if breaking within first half of contract. Forfeiture prorated for second half of contract.
<b>Account Closing Fees</b>	Nil
<b>Minimum Opening Balance</b>	1,000
<b>Ledger fees</b>	None
<b>Withdrawal</b>	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**

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

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

**b) Faulu Unsecured Salary Loan**

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

### c) Imara Loan

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

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

**d) Imara Plus**

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

**e) Emergency Check-off**

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

**f) Check Off Asset Finance (ACF)**

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

<b>Check Off Asset Finance (ACF)</b>	
<b>People</b>	Branch Staff
<b>Process</b>	<ul style="list-style-type: none"> <li>• Loan processing starts at the branch</li> <li>• Customer delivers form at the branch with all the required documentation</li> <li>• BCC approves</li> <li>• CSO scans the forms to credit while noting them on the leads systems</li> <li>• The forms are sent to credit by an overnight mail</li> <li>• Credit staff commences the process while awaiting the physical forms</li> <li>• Physical verification is done</li> </ul>
<b>Disbursement</b>	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**

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

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

#### ***h) Okoa Mteja Temporary Overdraft***

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

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

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

**b) Group Extra Loan**

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

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

### c) **Faulu Micro Fully Secured Loan**

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

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

#### d) Faulu Micro Loan

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

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

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

**i) Faulu Chama Loan**

<b>Faulu Chama Loan</b>	
<b>Target Client</b>	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
<b>Loan Size</b>	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)
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• To enable formal and informal groups such as chamas, self-help groups, welfare groups, Partnerships create wealth through investments</li> <li>• Investment groups who have a Faulu chama account for wealth creation and welfare activities of its members</li> </ul>
<b>Product features and benefits</b>	<ul style="list-style-type: none"> <li>• The loan is based on the ability of Chama to pay</li> <li>• A repayment period of up to 72 months</li> <li>• Minimum loan of 50,000</li> <li>• LPO financing for group business contracts and business opportunities.</li> <li>• Members can access individual loans</li> <li>• Members access to Faulu's affordable medical and life covers at discounted premium rates</li> </ul>
<b>Loan Term</b>	Up to 72 Months
<b>Security/Collateral</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• The Savings will be retained and held in lien as an additional security for the loan</li> <li>• 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.)</li> </ul>
<b>Repayment</b>	Monthly through automated standing order from Faulu chama account
<b>Grace Period</b>	<ul style="list-style-type: none"> <li>• Permissible on need basis depending on loan purpose</li> <li>• 0 - 12 Months</li> </ul>
<b>Access Requirements</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Chama should have been in existence for at least 6 Months</li> </ul>

<b>Faulu Chama Loan</b>																				
	<ul style="list-style-type: none"> <li>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 )</li> <li>In addition, the chama should be able to pay incidental costs of security perfection (valuation ,legal fees) , stamp duty</li> <li>Copies of I.D. and PINS for the officials, list of all group members, their contacts (including physical address) and their business activities</li> </ul>																			
<b>Interest Rate</b>	22% Reducing balance																			
<b>Other Fees</b>	<ul style="list-style-type: none"> <li>LSUF: 3% of Principal</li> <li>Annual review fee of Ksh 0.5% of the outstanding balance , applicable for loans running more than 12 months</li> <li>Incidental costs of security perfection (valuation ,legal fees) , stamp duty</li> </ul>																			
<b>Top-up feature</b>	Top up available at 50% repayment																			
<b>Disbursement</b>	Faulu Chama account																			
<b>Penalties</b>	<p><b>Penalty charge on late loan repayment</b></p> <table border="1"> <thead> <tr> <th><b>Loan category</b></th> <th colspan="3"><b>Amount in KES.</b></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>			<b>Loan category</b>	<b>Amount in KES.</b>			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
<b>Loan category</b>	<b>Amount in KES.</b>																			
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																	
<b>Processing Time</b>	Approval within 5 working days																			

#### j) Pesa Chap Chap Mobile Loan

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

<b>Pesa Chap Chap Mobile Loan</b>	
	<ul style="list-style-type: none"> <li>• 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</li> <li>• Mobile banking enrolment</li> </ul>
<b>Time Limit/Tenure</b>	10 days
<b>Repayment Term</b>	1 - 10 days. Loan repaid through Hazina and Faulu Personal accounts
<b>Security</b>	<ul style="list-style-type: none"> <li>• The emergency cash cannot be above 10% of LSF</li> <li>• Default clients cannot access the product for a period of 3 months</li> <li>• No con-current similar loan, one has to pay off completely an existing loan</li> <li>• SMS reminders will be weekly after the 10<sup>th</sup> day with pending balances</li> <li>• Loanee LSF tapping after 30 days</li> </ul>
<b>Interest rate</b>	10 % of advanced cash
<b>Withdrawal fees</b>	All channels fees apply as per the tariff guide
<b>Late Payment Penalties</b>	<ul style="list-style-type: none"> <li>• 10% after 10 days</li> <li>• KES 150 for late installment</li> </ul>
<b>Promotion</b>	<ul style="list-style-type: none"> <li>• Officers and Bulk SMS</li> </ul>
<b>Loan Application</b>	*339# USSD, mobile banking platform
<b>Disbursement mode</b>	To the operative account
<b>Processing Time</b>	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	
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase of farming inputs including seed, fertilizer, and farm preparation, crop management and harvest.</li> </ul>
<b>Target Clients</b>	<ul style="list-style-type: none"> <li>• Farmers growing cereals crops including maize and wheat, Farmers who own/lease land and can provide evidence of the same</li> <li>• Farmers who will provide conventional collateral to secure the facility</li> </ul>
<b>Access requirements</b>	<ul style="list-style-type: none"> <li>• Open an account with Faulu MFB Ltd</li> <li>• 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.</li> <li>• Request to be supported by quotations and appropriate budgets.</li> </ul>

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

**b) Nafaka Off Taker Contract Backed Loan**

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

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

**c) Kilimo Bora Loan**

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

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

**d) Maziwa Loan**

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

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

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

**e) Green Gold**

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

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

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- 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

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

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

	<ul style="list-style-type: none"> <li>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</li> </ul>		
<b>Late Payment Penalties</b>	Lower	Upper	Charge/Penalty
	200,000	500,000	500
	500,001	1,000,000	1,000
	1,000,001	999,999,999	3,000
<b>Top up feature</b>	Interest waiver on top up		
<b>People</b>	Specialized Individual Lending Officers		
<b>Process</b>	Approval in 48hours and Disbursement into the operative a/c within 30 days working days subject to perfection of security		

### b) Asset Finance

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

	<ul style="list-style-type: none"> <li>• Duly completed credit facility application form</li> <li>• Resolution to Borrow by the company directors</li> <li>• Certificate of incorporation</li> <li>• PIN certificate and National I.D. (Original and copy) of all directors</li> <li>• PIN Certificate of the Company</li> <li>• A copy of Memorandum &amp; Articles of Association</li> </ul>																																			
<p><b>Security</b></p>	<p><b>The following are the Maximum Margins and Loan Terms :</b></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 &amp; 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><b>Key :</b></p> <p><b>New:</b> From Show room with zero <b>mileage</b> e.g. DT Dobie, CMC, and General Motors etc.</p> <p><b>Used:</b> 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"> <li>• Hire Purchase Agreement and Letter of Conditional Release of the asset financed</li> <li>• Credit Life Insurance for the Borrower except for companies and Institutions</li> <li>• Comprehensive Insurance Cover over the financed asset to be obtained from Insurance Company in our panel with Faulu Interest duly noted on the policy</li> <li>• Motor Vehicles financed to be fitted with a tracking device lasting the loan tenure and full cost settled upfront through companies within Faulu Panel</li> </ul>	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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<b>Loan Term</b>	Up to 60 Months (Depends on the Nature of asset as per the Schedule above)
<b>Repayment frequency and Mode</b>	Options Available : <ul style="list-style-type: none"> <li>• Direct debit from a Faulu Account to Loan Account</li> <li>• Termly (3 times a year ) for Schools</li> <li>• Monthly through check off for employed people</li> </ul>
<b>Grace Period</b>	No grace period
<b>Loan Size</b>	Up to KES. 100 Million
<b>Disbursement Mode</b>	<ul style="list-style-type: none"> <li>• Direct disbursement through customer account to Asset Finance GL and dealers to be settled less the applicable upfront fees deductible from the Loan</li> <li>• Settlement of dealers via the bank's initiated free RTGS</li> </ul>
<b>Access Requirements.</b>	<ul style="list-style-type: none"> <li>• Eligible to customers who have banked with Faulu for at least 3 months</li> <li>• 6 months certified bank statements or 3 month recent pay slips, delivery receipts etc.</li> <li>• Evidence of ability to raise applicable deposit</li> <li>• A proforma Invoice of the Asset being financed from a reputable dealer (for both New &amp; Used)</li> <li>• A copy of logbook for the Motor Vehicle being financed for Used Cars</li> <li>• A valuation report from a valuer in the Faulu panel to be obtained after preliminary appraisal for used Motor vehicles only</li> <li>• Certified Loan statements where applicable</li> <li>• Latest management accounts as at the time of application for Loans above 10 M where applicable</li> <li>• 3 year Audited accounts for loans above 10 M where applicable</li> <li>• List of duly aged debtors and creditors for loans above 10M</li> <li>• 1 year Cash flow projections for Loans above 10 M where applicable</li> <li>• Certificate of Incorporation &amp; Memorandum and articles of Association for any company [NB:A company Search MUST be Contacted]</li> <li>• PIN Certificate / National I.D copy of the applicants of company directors</li> <li>• Copies of Trading License and other specialized licenses where applicable</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• 21 % RB P.a including Matatus.</li> <li>• 19% RB P.a for Institutions, Associations, Learning Institutions and Churches</li> </ul>
<b>Loans set up</b>	<ul style="list-style-type: none"> <li>• 3% of Principal</li> <li>• Credit Life: 0.6% P.A</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>• Credit Life Insurance organized through the bank</li> <li>• The Asset Financed to be Comprehensively Insured with an Insurance company in the bank Panel with the bank Interest duly noted on the policy</li> </ul>

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

### c) Insurance Premium Finance

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

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

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

**d) Faulu Landlord Loan**

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

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

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

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

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

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

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

**f) Cash Covered Loan**

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

<b>Late Payment Penalties</b>	<ul style="list-style-type: none"> <li>At the prevailing interest rate</li> </ul>
<b>Promotion</b>	<ul style="list-style-type: none"> <li>Posters, fliers, banking hall TV screens and SMS alerts</li> </ul>
<b>Loan Application</b>	<ul style="list-style-type: none"> <li>Customer will fill loan application form in the bank holding his/ her account.</li> <li>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</li> <li>Offer letter and Letter of lien will be signed before disbursement               <ul style="list-style-type: none"> <li>Disbursement and Repayment in the Operative account</li> </ul> </li> </ul>
<b>Disbursement &amp; Repayment</b>	

**g) Faulu Overdraft**

<b>Faulu Overdraft</b>																						
<b>Purpose</b>	To finance short term financials needs																					
<b>Security</b>	<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><b>Applicable Collateral Margins and Loan Terms to be observed for all Collaterals</b></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
<b>Overdraft Term</b>	Up to a <b>maximum</b> of 12 months
<b>Cash Amount</b>	Based on ability to pay but subject to single borrower limit
<b>Access Requirements.</b>	<ul style="list-style-type: none"> <li>• 6 months Certified bank statements</li> <li>• Certified Loan statements where applicable</li> <li>• Latest management accounts as at the time of application for OD above 1.5 M</li> <li>• 3 year Audited accounts for OD above 1.5M</li> <li>• List of duly aged debtors and creditors for OD above 1.5 million</li> <li>• 1 year Cash flow projections for OD above 1.5 M</li> <li>• Certificate of Incorporation &amp; Memorandum and articles of Association for any company</li> <li>• Annual Returns for the last 3 years for Companies</li> <li>• PIN Certificate / National I.D copy</li> <li>• Copies of Trading License and other specialized licenses where applicable</li> </ul>
<b>Interest Rate</b>	22% P.A on reducing balance
<b>Additional default interest</b>	1.5% P.A on reducing balance
<b>Overdraft processing fee</b>	3 % of the face value
<b>Credit life insurance</b>	0.6% P.A
<b>Other Insurance</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> </ul>
<b>People</b>	Dedicated SME Relationship Officers and branch managers

#### **h) Temporary Overdraft**

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

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

**i) Faulu Milele Mortgage**

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

<b>Access Requirements</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Phased financing (disbursements in tranches)</li> <li>• The Customer should have a stable existing income to service the mortgage over the loan term</li> <li>• The client can only access either plot loan or Construction but not both at any one time</li> <li>• 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</li> </ul>
<b>Price (Fees / Charges)</b>	16% p.a Reducing balance

**j) Real Estate Loan**

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

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

**k) Ushirika Loan**

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

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

### ***I) Bids, Bonds & Guarantees***

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

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

**m) Cheque Discounting**

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

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

**n) Invoice discounting**

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

**o) Wholesale Loan**

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

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

**p) Loan Fund Management Facility**

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

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

**q) Business Chap Chap Mobile Loan**

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