



JOGOO SACCO LOANING POLICY.

1. Must be a member of the Sacco for at least two (2) months.
2. No member of Jogoo Sacco shall belong to another Sacco
7. No member shall be granted a loan immediately after boosting the deposits in Cash until after Two (2) Months
8. No member will be allowed to suffer total deductions including loan repayment in excess of two thirds of his/her basic salary.
9. a) Guarantors must be members of the society and shall not guarantee more than ten long term loans and each loan must not exceed three times the member's deposit, if the applicant's deposit is equal to or more than the loan requested, no guarantorship is required, so long as he/she has not guaranteed another member.
b) All loans are guaranteed by at least 3 guarantors. However, for loans of more than Kshs 1,000,000.00 at least 6 guarantors are required (member may be requested by the office to add more guarantors under certain circumstances)

NB: Okoa and patanisha loans require six guarantors regardless of the amount.

10. Members who wish to clear their loans before the term expires shall not bear any charges on the outstanding amount. However, those who apply for top ups shall be charged a commission at a prevailing percentage placed by the Board of directors from time to time.
11. No member who for one reason or another is not sufficiently servicing his/her loan shall be allowed to guarantee others.
12. No member whose loan deduction has not yet been effected on the due month will be allowed to apply for another loan until recovery of the previous loan commences
14. A member who withdraws from the society and rejoins later will be treated as a new member for the purpose of the loan policy

Loan Applications

- a) All loan applications shall be completed in writing on standard forms provided by the Society.
- b) The loan form shall in each case set the amount applied for, the purpose of the loan/advance, terms of repayment and security offered.

Loan Process

Appraisal

- a) The application will be subjected to the predetermined formula based on qualification parameters, deposits multiple and debt ratio
- b) Based on the applicant's demographic and financial data, his/her loan history (if available), cash flow and ratio analysis, the Credit Manager will formulate a comprehensive credit proposal containing the following:
 - Proposed loan amount
 - Proposed loan duration
 - Proposed installment amount
 - Proposed repayment frequency (monthly or fortnightly or weekly).
- e) Loan applications shall be considered in the order in which they are received.

Interest on Loans

- a) The Board of Directors is empowered by the Society's By-laws to set and review loan interest rates
- b) The Society will adopt a loan pricing strategy, which will be based on full sustainability. It will seek to balance institutional sustainability, growth, safety and soundness and quality of services to members
- f) The method of calculating and posting interest rates in members' loan accounts shall be outlined in the Society's accounting procedures as reviewed from time to time
- g) The stated interest rates shall exclude legal fees and any other direct cost related to loan processing.

Loan Repayment and Recovery

- a) Loan repayment period shall depend on individual cases in full or by installments based on loan agreement and contract; which shall take recognition of the borrower's current income flow.
- b) Repayment terms shall clearly show amount relating to the principal loan repayment and interest
- c) Deductions for loan scheduled for monthly repayments shall commence not later than the month following that in which the loan was released to the member.
- d) To make good of the borrowed loans, members shall be required to repay their loans by installments and deductions shall be made at source from the employer.
- f) A member is free to repay the loan from any other sources besides the individual's salary.) Members are advised to ensure timely payment of loan through payroll. If for any reason non-recovery occurs, effort should be made to pay the months installment through other means e.g. Paybill. Delayed payments will attract a further penalty on the interest.

Security for Loans

- a) The Credit Committee or Board of Directors shall ask for such security, as it may consider necessary. The deposits of a member are taken as security

RETIRES POLICY

The SACCO would wish to retain members even after retirement by giving them an opportunity to rejoin the SACCO after attaining the mandatory retirement age. This will enable them access affordable credit facilities, earn dividends on non-withdraw able share capital and interest on deposits from the SACCO whose growth they have contributed to for many years.

REQUIREMENTS FOR MEMBERSHIP.

1. Make a formal application filling the registration form
2. Pay the entrance fees as per the current rate
3. Must have been a member of a Sacco
4. Can hold an elective position in the Sacco as long as have not withdrawn from the SACCO at the time of retirement.
5. Minimum monthly contribution KSh 1,000.
6. Maximum age of Membership 70 years

LOAN ENTITLEMENT

1. Be given only **one type** of loan at 1% at a maximum of 48 months to allow the flexibility of the use of the Sacco software.
2. Loans that are pegged on their deposits be a maximum of 80%.
3. Guaranteed loans be pegged at three (3) times
4. Be allowed to top-up after servicing 30% of loan advanced without ECC (Early clearance charge) Charges.
5. All loans **MUST** be cleared at the attainment of 70 years of age

MEMBER OBLIGATIONS

1. Observe and comply with all the Sacco Society's By-laws and decisions taken by the relevant organs of the Sacco i.e. the Board of Management and delegates
2. Buy and pay up for shares or make any other regular payments provided for by the By-Laws
3. Meet the debts of the Sacco Society in case of insolvency in accordance with the provisions of Cooperative Societies' Acts, SASRA Regulations and Jogoo Sacco By-Laws
4. Support projects of the Sacco approved by the Delegates meeting
5. Patronize Sacco products
6. Attend educational meetings or seminars organized by the Sacco
7. Identify problems affecting the Sacco and assist in looking for solutions
8. Assist in recruitment of new members

GUARANTORSHIP

A guarantor is the person who backs the borrower financially and guarantees that the loan will be paid back. The guarantor has responsibility of clearing a defaulter's loan in the event that the borrower is unable to pay. Guarantorship entails the following;

1. All loans should be secured by a set number of guarantors
2. All guarantors must be members of the Sacco
3. Guarantors must have a good track record of repaying their own loans
4. The total deposits of the guarantors should be equal to or more than the loan applied for
5. A borrower or guarantor may apply for a change of guarantors
6. Obligations of a guarantor shall cease when the loan granted has been repaid in full
7. Obligations may cease upon alternate guarantors being substituted
8. No executive officer, management or supervisory member shall act as endorser or guarantor for borrowers from the society
9. Upon the death of a guarantor, the loanee is required to find a replacement immediately (Office shall inform the loanee of the same)
10. Loanees who do not contribute through check off system shall seek guarantors from members within the check off. However if the loan applied for is below the loanee's deposits and he/she fails to get guarantors, the loan shall be granted
11. A member's deposits pledged as security for another member's loan shall not be surrendered to offset his/her loan unless the other member provides alternative guarantors

COORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR happens when a company operates in an ethical and sustainable way and deals with environmental and social impacts. This means a careful consideration of human rights, the community, environment and society in which it operates. CSR provides an opportunity for organizations to work towards the betterment of the society and make it a better place to live in.

CSR benefits include;

- Improved public image
- Increased brand awareness and recognition
- Advantage over competition
- Increased consumer engagement
- Generates employee engagement

Jogoo Sacco engages in a CSR activity once every year. The Sacco embraced the concept through support for environmental issues, children's homes and disadvantaged members of the community. During this COVID-19 pandemic, the Sacco supported women from Kibra and Kawangware who provide laundry services within Kilimani area. The women have had challenges accessing work because of the fear of the spread of infection. The Sacco supported the women with food stuffs and other basic necessities.