

SPECIAL ISSUE

BUNGOMA COUNTY GAZETTE SUPPLEMENT NO - MARCH 2023

(Legislative Supplement No -)

LEGAL NOTICE No. I

THE PUBLIC FINANCE MANAGEMENT (THE BUNGOMA COUNTY (EXECUTIVE STAFF) CAR LOAN AND MORTGAGE SCHEME FUND) REGULATIONS, 2023

ARRANGEMENT OF REGULATIONS

1. - Citation.
2. - Interpretation.
3. - Establishment of the Fund.
4. - Purpose of the Fund.
5. - Capital of the Fund.
6. - The Committee.
7. - Functions of the Committee
8. - Meetings of the Committee
9. -The Administrator of the Fund
10. - Roles of the Administrator
11. - Secretariat of the Fund
12. - Committee may appoint mortgagee institution.
13. - Responsibilities of the Mortgage Institution
14. - Application for loan.
15. - Requirements for application of loan
16. - Disbursement of loan.
17. - Maximum Loan Disbursement
18. - Criteria for grant of loan
19. - Utilization of loan monies
20. - Leasehold Property
21. - Repayment of loan
22. - Interest Chargeable
23. – Charge
24. – Next of Kin
25. - Insurance
26. - Default
27. - Grading and limits of loan eligibility.
28. - Dispute Resolution.
29. - Investment of Funds
30. - Management Costs
31. - Financing Partnerships
32. – Management Partnerships
33. - Implementation & Coordination Framework
34. – Monitoring, Evaluation & Reporting Framework
35. – Annual Estimates, Accountability & Auditing Framework
36. – Litigation, Offences and penalties.

- 37. - Winding up
- 38. - Guidelines.

IN EXERCISE of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance makes these Regulations and shall come into force upon approval of the County Assembly of Bungoma.

THE PUBLIC FINANCE MANAGEMENT (THE BUNGOMA COUNTY (EXECUTIVE) CAR LOAN AND MORTGAGE SCHEME FUND)) REGULATIONS, 2023

PART I: PRELIMINARIES

Citation

- 1. These Regulations may be cited as the The Public Finance Management (the Bungoma County (Executive Staff) Car Loan and Mortgage Scheme Fund) Regulations, 2023.

Interpretation

- 2. In these Regulations, unless the context otherwise requires —

“borrower” means a person in receipt of a loan out of the Fund;

“committee” means the Bungoma County (Executive) Car loan and Mortgage Scheme Fund Committee established under regulation 6;

“county” means the Bungoma County;

in “financial year” means the period of twelve months ending on the 30th June each year;

“fund” means the Bungoma County (Executive Staff) Car loan and Mortgage Scheme Fund established under regulation 3;

Committee “fund administrator” means any person designated by the County Executive Member, in writing for that purpose

County Executive Committee Member” has the same meaning as assigned in section 148 of the Public Finance Management Act, 2012;

“member of the scheme” means a State or public officer in the County Public service;

“applicant” means an employee of the County.

“property” means a motor vehicle or residential house purchased through a loan from the Fund and includes the land purchased under loan from the Fund on which such house is to be developed;

“valuer” means a person registered as a valuer under the Valuers Act (Cap. 532).

PART II —ESTABLISHMENT OF THE FUND

Establishment of the Fund

3. (1) There is established the Bungoma County (Executive Staff) Car loan and Mortgage Scheme Fund.
- (2) Eligible staff to benefit from the fund are as specified in the first schedule

Purpose of the Fund

4. (1) The objective and purpose for which the fund is established is to-
 - (a) provide a loan for the purchase of motor vehicles for use by the borrower and his/her family;
 - (b) provide a loan for purchase of land for the development of residential housing, renovation or repair of residential property by members of the scheme.
 - (c) Raise funds for the implementation of the objectives stated under paragraphs a and b of this regulation.

Capital of the Fund

5. The sources of income to the fund shall be;
 - (1) Monies appropriated from time to time
 - (2) The interest accruing to the fund shall be credited to the capital of the Fund.
 - (3) Other sources of capital for the fund shall include;
 - (a) income-generated from the proceeds of the Fund;
 - (b) income from investments made by the Fund;
 - (c) grants, donations, bequests or other gifts made to the Fund; and
 - (d) monies from any other source approved by the County Executive Committee Member.

PART III — MANAGEMENT OF THE FUND

Committee

6. (1) There is established the Bungoma County (Executive) Car loan and Mortgage Management Committee consisting of—
 - (a) The Fund Administrator who shall be the secretary
 - (b) Chief Officer Finance or his or her representative
 - (c) Director, Human Resource Management;
 - (d) Chief Officer responsible, his or her representative;
 - (e) The Chief Officer responsible for Housing his/her representative

- (f) A representative of the government motor vehicle inspection unit
- (g) the County Attorney or his/her representatives.

Functions of the Committee

7. (1) The Committee shall-
- (a) oversee the administration of the Fund;
 - (b) advise the County Executive Committee Member generally on the operations of the Fund;
 - (c) review the estimates of annual revenue and expenditure of the Fund and recommend them to the County Executive Committee Member;
 - (d) receive and review reports on the performance of the Fund;
 - (e) develop guidelines relating to disbursements by the Fund;
 - (f) review guidelines on the Fund priorities and criteria for allocation and disbursement of funds to beneficiaries in furtherance of the objects of the Fund;
 - (g) monitor, evaluate, and report on the programmes and activities under the Fund;
 - (h) advise on risk analysis and mitigation measures;
 - (i) review and approve the financial statements of the Fund before submission to the Auditor General;
 - (j) Review and propose new loan programs and products;
 - (k) coordinate the development and implementation of a cost management framework;
 - (l) review policy on the management of assets, equipment and all properties under the Fund;
 - (m) prescribe other guidelines for use by the Fund;
 - (n) mobilize resources for the Fund to be paid into the Fund; and
 - (o) undertake any other activity that in the opinion of the Advisory Committee, will promote and facilitate realization of the objects and purposes of the Fund.

Meetings of the Committee

8. (1) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, by a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of its functions.
- (2) The chairperson shall chair the meetings of the committee and in the absence of the chairperson, the members present shall appoint one among them to chair.
- (3) The quorum for a meeting of the Committee shall be three members.

- (4) The decision of the Committee shall be by simple majority and in the case of a tie, the chairman shall have a casting vote.

The Administrator of the Fund

9. (1) The County Executive Committee Member shall appoint a Fund administrator who shall be an ex-officio member of the Committee and serve as the secretary to the Committee.
- (2) The Administrator of the Fund shall be any other Officer of the County Government, not below the rank of a Director designated by the County Executive Committee Member, in writing for that purpose
- (3) The Fund administrator shall assist the Committee in administering the Fund and shall -
- (a) process applications for loans in accordance with the existing terms and conditions of borrowing; and
 - (b) liaise with the mortgage company, if any, to set up a revolving Fund for the disbursement of the loans.

Roles and Responsibilities of the Administrator

10. (1) The roles and responsibilities of the Administrator shall include-
- (a) open and operate a bank account with the approval of the Committee and the County Treasury;
 - (b) supervise and control the administration of the Fund;
 - (c) consult with the Committee on matters relating to the administration of the Fund;
 - (d) utilize the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use of the Fund;
 - (e) cause to be kept books of accounts and other books and records in relation to the Fund of all activities and undertakings financed from the Fund;
 - (f) enter into and sign agreements with all successful applicants or financial intermediaries providing affordable and accessible credit applicants;
 - (g) open loan accounts of all successful applicants or financial intermediaries and maintain a record of the amount disbursed and the balance thereof;
 - (h) prepare, sign and transmit to the Auditor-General, in respect of each financial year and within three months after the end thereof, a statement of accounts relating to the Fund and showing the expenditure incurred from the Fund, and such details as the Public Sector Accounting Standards Board may prescribe from time to time, in accordance with the provisions of the Public Finance Management Act, 2012, Public Audit Act, 2015, and related

Regulations; and

- (i) furnish such additional information as may be considered proper and sufficient for the purpose of examination and audit by the Auditor General in accordance with the provisions of the Public Audit Act.

(2) Every statement of account shall include details of the balance between the assets and liabilities of the Fund, and shall indicate the financial status of the Fund as at the end of the financial year to which they relate.

Secretariat of the Fund

11. (1) The Committee in consultation with the County Secretary, may assign such number of staff within the county public service to serve as the secretariat of the fund, as may be necessary to discharge its functions under these Regulations.

(2) The secretariat of the Fund shall be headed by the Administrator, and shall be responsible for the day-to-day running of the affairs of the Fund.

Committee may appoint mortgage institution

12. (1) Despite regulation 9 (3) the Committee may, if it considers necessary, appoint a mortgage institution to assist the Fund administrator and the committee in the management of the Fund.

Responsibilities of the Mortgage Institution

13. (1) The responsibilities of the mortgage institution, if any, appointed under these Regulations shall be —

- (a) to operate individual accounts for each borrower, which shall provide details of recoveries of the loan;
- (b) to charge security on properties acquired through loans from the Fund to protect the interests of the Fund and act as custodian of such charges;
- (c) to disburse funds for newly approved loans to various vendors, after the necessary documentation is completed by the Committee;
- (d) to pay all outgoing members and issue demand notices where necessary to members through the Fund administrator;
- (e) upon repayment of the loan, interest and other expenses which may be outstanding, to discharge the charge and release the security documents to the borrower; and
- (f) upon default, to call in the loan and on behalf of the county government, sell the charged property by public auction, in which event the Fund shall meet any shortfall between the loan outstanding and the proceeds of sale.

Application for loan

14. (1) A member of the scheme who wishes to apply for a loan from the Fund shall make an application to the Fund administrator in such manner as the

Committee may prescribe, as per the second and third schedules.

(2) The Fund administrator shall satisfy himself or herself of the applicant's financial status and capacity to repay the loan applied for in accordance with the laid down requirements, and if satisfied shall forward the application to the Committee for consideration.

(3) If the Committee approves the application, the applicant shall enter into a loan agreement in such form as the Committee may prescribe.

(4) The Committee may, where it deems appropriate, appoint an advocate to act on its behalf in respect of transactions relating to the property/asset under these Regulations.

Requirements for application of loan

15. (1) An application for a car loan shall be accompanied by the following documents-

- (a) a copy of official records of the motor vehicle from the registrar of motor vehicles;
- (b) a copy of the log book for the motor vehicle;
- (c) a valuation report for the motor vehicle;
- (d) a sale agreement for the motor vehicle duly signed by the dealer.

(2) An application for a mortgage loan under these Regulations shall be accompanied by the following documents where appropriate—

- (a) copies of the designs of the proposed residential property duly approved by the local authority within whose area it is to be situated;
- (b) bills of quantities in respect of the proposed development, renovation or repair;
- (c) an official search of the title to the property intended to be purchased; and
- (d)** a certified copy of the sale agreement relating to the property.

(3) The applicant shall bear the cost of stamp duty and other legal fees.

(4) Where a borrower fails to comply with the requirements of paragraph (2) within the stipulated time, the Fund administrator shall, upon giving the borrower fourteen days' notice, deduct the amount due from the salary of that borrower in such installments as may be appropriate and remit such deductions to meet such costs as may be due.

(5) All legal transactions in respect of the property being purchased shall be conducted by an advocate appointed by the county government.

Disbursement of loan

16. (1) A loan granted for the purchase of a motor vehicle shall be released from

the Fund in such manner, taking into account the security of the funds, as may be prescribed by the committee.

(2) A log book of a motor vehicle subject to a loan from the Fund shall be jointly issued in the names of the County and the member of the scheme and shall be kept in the custody of the fund administrator until the loan is repaid in full by the member of the scheme.

(3) The Committee shall only grant one loan or one house to either the County Staff or his spouse, where the spouse is also a County employee and the granting of a loan or house to one spouse shall bar the other spouse from benefitting from the fund.

(4) A loan granted for the development of a residential property under these Regulations shall be released to the applicant in the following phases—

- (a) subject to regulation 9 (3) the first disbursement based on the value of the land on which the residential property is proposed to be developed; and
- (b) the subsequent disbursements based on the rate of completion of the various phases of development as certified by a qualified valuer at the cost of the applicant.

Maximum loan disbursement

17. (1) The maximum loan to be granted under these Regulations to a member of the scheme shall not exceed the sum prescribed by the Salaries and Remuneration Commission, and as specified in the first schedule.

(2) A member of the Scheme shall be required to give prior authority in writing for pension or any gratuity accrued dues to be utilized to clear any outstanding debt in case the member leaves service.

(3) A loan granted to a borrower under these Regulations shall be funded at the rate of one hundred per centum of the value of the motor vehicle or property.

(4) Subject to this regulation, a member of the scheme shall be eligible for the maximum amount of loan specified under paragraph (1) in each term of office to be accessed by the member in a maximum of two disbursements of that term.

(5) The County Executive Committee Member in consultation with the Committee, may from time to time vary the maximum funds that may be loaned to an applicant.

Criteria for grant of loan

18. (1) The maximum loan that may be granted under these Regulations shall be based on the ability to pay, and shall be payable by check-off system

Utilization of loan monies

19. (1) A loan obtained under these Regulations shall be utilized for the purchase of a motor vehicle for personal and family use or the purchase of land, development, renovation or repair of residential property for the occupation of the applicant and his or her immediate family.
- (2) Without prejudice to the generality of Section 9(1), a loan disbursed under these Regulations shall solely be utilized for-
- (a) Purchase of a motor vehicle for personal and family use;
 - (b) Purchase of a residential house for occupation of the applicant;
 - (c) Improvement of a residential house occupied by the applicant;
 - (d) Development of a residential house for the occupation of the applicant;
 - (e) Purchase of land and development of a residential house for occupation by the applicant;
 - (f) Equity release for improvement or development of residential property; and provided that, a loan granted under these Regulations shall not be utilized for commercial purposes.
- (2) A loan for the development of residential property may be granted at the discretion of the committee —
- (g) to a member of the scheme who is in possession of a certificate of title to the land on which the development is intended to be carried out; or
 - (h) in two installments, for the purchase of the land at which the residential property is to be developed and for the subsequent development of the property.
- (3) The amount of the first installment granted for the purchase of land under paragraph 2(b) shall not exceed forty per cent of the maximum loan amount for which the member of the scheme is eligible.
- (4) An applicant occupying a county government house who is granted a mortgage under these Regulations shall, within six months of such grant, vacate the government house.

Lease hold property

20. Where the property intended to be purchased through a loan from the Fund is leasehold property, such loan shall be granted where the expiry date of such lease is at least forty-five years beyond the final loan repayment date.

Repayment of Loan

21. (1) A loan granted under these Regulations shall be repayable within a period of twenty years or before the loanee attains the age of sixty years, whichever is earlier.

Interest chargeable

22. (1) The interest chargeable on a loan shall be a minimum of three percent and a maximum of five per centum per annum on a monthly reducing balance inclusive of administration costs, subject to any directives issued by the Salaries and Remuneration Commission.
- (2) The mortgage institution appointed under regulation 7 may charge an interest of not more than four per centum to cover management costs.
- (2) The interest charged under paragraphs (1) and (2) of this regulation shall be met by the borrower.

Charge

23. (1) The County government shall have a charge registered on the property financed through a loan granted under these Regulations and shall be entitled to have its name entered in all documents of title for such property.
- (2) The borrower shall —
 - (a) not mortgage, charge, surrender the lease or sell or agree to sell or part with possession of the charged property or any part thereof without the prior written consent of the County government;
 - (b) meet and pay all rates, rents, insurances and any other outgoings in respect of the property and send the proof of such payments to the Fund administrator; and
 - (c) provide a transfer deed duly signed by the borrower and a letter authorizing the Fund administrator to sell the property in case of default in payment.
- (3) During the loan repayment period, every borrower shall —
 - (a) ensure that the property is used for residential purposes only;
 - (b) maintain the property in a satisfactory state of repair; and
 - (c) not alter or make any structural alteration to the property, without the approval of the Committee.
- (4) A borrower shall not be eligible for more than one loan at a time or more than a total of two loans from the Fund.
- (5) All legal documentation and disbursement of funds shall be supervised by the Fund administrator.

Next of Kin

24. (1) The Administrator of the Fund shall file next of kin details as contained in the second schedule, and ensure that next of kin are fully appraised and provided with full disclosure about the loan sought by the applicant.
- (2) The Administrator shall ensure that the next of kin assent to property/asset documents that may be used as collateral for the loan.

Insurance

25. (1) A borrower of a car loan shall take out and maintain a comprehensive

insurance policy for a motor vehicle purchased out of a loan from the Fund at all times until the loan is repaid in full, the cost of which shall be paid out of the Fund and debited in such borrower's account.

(2) A borrower of a loan for purchase of a mortgage shall take out a mortgage protection policy and a fire policy with a licensed insurance firm, the cost of which shall be paid out of the Fund and debited in such borrower's account.

(3) All original documents relating to a motor vehicle or property financed by a loan from the Fund shall be kept in safe custody by the Fund administrator.

Default in repayment

26. (1) The Committee may call in a loan, and in default sell the motor vehicle or charged property by public auction where the borrower is in breach of the terms under the loan agreement or a covenant contained in the charge of the mortgage instrument.

Grading and Limits of Loan eligibility

27. (1) The grading of members and limits of loan eligibility shall be in accordance with the Salaries and Remuneration Commission guidelines.

(2) Eligibility for a loan under these Regulations shall be for an applicant who has been confirmed in employment provided that public servant on contract terms of service shall have an unexpired contract period of more than twelve months.

Dispute Resolution

28. (1) All disputes under these Regulations shall be referred to an arbitrator who shall be mutually agreed upon and appointed by the committee and the mortgage institution.

Investment of Funds

29. The Administrator may invest any of the funds of the Fund which are not immediately required for its purposes in such government securities in accordance with the provisions of the Public Finance Management Act, 2012.

Management Costs

30. (1) The Fund, or where applicable, the Mortgage Institution referred to under regulation 12, may charge an interest of not more than two percentum per annum of the value of the loan to cover its management costs.

Financing Partnerships

31. (1) The Fund may enter into viable financing or development partnerships with a person or legal entity for the purposes of implementing the objectives and purposes of the Fund.

Management Partnerships

32. (1) The Fund may enter into viable management partnerships with a scheme or Fund from any other public body.

Implementation and Coordination Framework

33. (1) The Administrator of the fund shall institute proper implementation and coordination mechanisms to ensure the sustainability of the fund.
(2) Such implementation and coordination framework may include mechanisms

for improvements and innovations in:

- (a) Lending and product development;
- (b) Business development services
- (c) Legal and corporate services
- (d) Partnerships and resource mobilization
- (e) Research, strategy and compliance; and
- (f) Internal audit services.

Monitoring, Evaluation and Reporting Framework

34. (1) The Administrator of the fund shall put in place monitoring, evaluation, and a reporting framework.
- (2) The monitoring, evaluation, and reporting strategies shall include performance management systems, including but not limited to:
- (a) Performance contracting;
 - (b) Annual work plans and budgets; and
 - (c) Balanced score cards.
- (3) The evaluation mechanisms adopted shall focus on both mid-term and end-term evaluation and reporting.
- (4) All reports generated under regulation 28 shall be shared with relevant oversight entities and bodies as directed by the Advisory committee from time to time.

Annual Estimates, Accountability and Auditing Framework

35. (1) The Advisory Committee shall cause to be prepared and shall, not later than the end of January in every year, submit to the responsible County Executive Committee Member and the County Treasury for approval, estimates of the Fund's revenue and expenditure for the following financial year.
- (2) The financial estimates prepared under subsection (1), shall be accompanied by proposals for funding for loanees, or the implementation of which shall continue during the financial year to which those estimates relate.
- (3) Annual estimates and proposals for funding projects shall not be implemented until they have been approved by the responsible County Executive Committee Member.
- (4) The Committee shall be responsible for the proper management of the affairs of the fund and shall be accountable for the moneys, financial business and management of the fund.
- (5) The County Assembly committee for public investments may summon the administrator or a member of the fund to answer on behalf of the fund any question arising from a report, including a special report of the Auditor-General concerning the fund.
- (6) The Fund shall be subject to audit as per the provisions of the Public Audit laws of Kenya.

Legislation, Offences and Penalties

- 36. Offences and penalties provided under the Public Finance Management Act, No.18 of 2012 shall apply under these Regulations in so far they may be applicable.

Winding

- 37. The **Fund may** be wound up upon a proposal by the county executive committee member responsible for the County Treasury being approved by the county assembly.

Guidelines

- 38. (1) These Regulations shall be supplemented by such terms as may, from time to time, be detailed in the application form supplied by the Committee and in the contract between the mortgage institution and the County government.
(2) subject to these Regulations, the executive committee member responsible for the County Treasury shall issue guidelines on —
 - (a) the purchase and development of land and residential properties under these Regulations;
 - (g) the utilization of surplus funds for the purchase and development of land and residential property under these Regulations; and
 - (h) such other matters as may be necessary for the proper management and administration of the Fund.

Signed Dated

Hon. CPA Chrispinus Barasa

CECM FINANCE AND ECONOMIC PLANNING

FIRST SCHEDULE
ENTITLEMENT SCHEDULE

Maximum loan entitlements for members of the Scheme
Designation/Job Group Scale Maximum entitlement

Job Group	Equivalent Salary Scale/State officer Grade	Maximum Entitlement Car Loan	Maximum Entitlement Mortgage
V	E5	10,000,000	40,000,000
U	F2	6,000,000	30,000,000
T	E4	4,000,000	20,000,000
S	E3	4,000,000	15,000,000
R	E2	3,000,000	10,000,000
Q	E1	3,000,000	10,000,000
P	D5	3,000,000	10,000,000
N	D4	1,500,000	8,000,000
M	D4	1,500,000	8,000,000
L	D4	1,500,000	8,000,000
K	D4	1,500,000	8,000,000
J	I0	800,000	6,000,000
H	I1	800,000	6,000,000
G	I2	800,000	6,000,000
F	I3	600,000	4,000,000

SECOND SCHEDULE

Laan Application Form (R. 8)

**TO: —THE CHAIRPERSON BUNGOMA COUNTY
(EXECUTIVE) CAR LOAN AND MORTGAGE SCHEME
COMMITTEE**

PART I—APPLICANT'S DETAILS

Iof P/No..... a member of the Bungoma County
(Executive) Car loan and Mortgage Scheme Fund, of ID. No.....of P.O.
Box.....

Telephone.....Email.....,

Details of next of kin

Name.....JD. No.....

Relationship.....

P . O Box.....

Telephone No.....

1. Hereby apply for a loan of KSh.....
(.....) to purchase a motor vehicle under the
Bungoma County (Executive) Car Loan and Mortgage Scheme.
2. The loan shall attract interest **of three (3%) per annum**.
3. I undertake to pay the loan advanced to me together with interest in
monthly installment until payment in full.
4. I hereby declare that my monthly Basic salary is
KSh.....
5. I am also entitled to allowance of KSh.....per month.
6. **I undertake that the monthly installments shall be effected by way
of monthly deductions from my salary and/or any other benefits
including allowances and gratuity and pension incase of any
default.**
7. I hereby authorize you to offset any existing facility subject to my loan
limit.
8. I hereby authorize the Fund to register the motor vehicle in the joint
names of Bungoma County and my name, until the loan facility is fully
repaid.
9. I undertake to take out a comprehensive insurance cover for the motor
vehicle throughout the loan period.
10. I further authorize the Fund to cause the premiums for the said
insurance cover to be debited to my loan account.
11. I bind myself that incase of my default to repay the loan, the Fund shall
be at liberty to so sell the motor vehicle to offset thc outstanding loan.

Date.....Signature of Applicant.....

PART II—RECOMMENDATION

- I. I certify that... ..is entitled to a motor vehicle loan of KSh. (.....) if the salary is not committed in any other way that would affect the repayment of the loan.
- II. **I certify that** the said,is eligible for a loan of up to KSh. in **respect of a car loan repayable** in full within..... months.
- III. I certify that payment of the monthly installments will not cause financial (pecuniary) embarrassment to the said officer (Subject to No. I above).
- IV. You are at liberty to recover the said loan by way of monthly installments upon disbursement.
- V. I recommend that’s application be approved in full up to a limit of KSh..... (.....) payable in.....months.
- VI. I recommend that the Executive Committee Member for finance do determine the monthly deductions and the installments payable in the recovery of the loan by a check off system.

Date.....Signed.....

PART III —APPROVAL BY COUNTY EXECUTIVE COMMITTEE MEMBER FOR FINANCE

I hereby approve..... application of KSh.....(.....) in respect of a motor vehicle loan to be paid over months and a further sum of KSh.....(.....) in respect of insurance premium to be repaid over 12 months for each year of the loan. The loan shall be recovered by KSh(.....) in monthly installments by way of deductions by check off system.

Date.....Signed.....

PART IV-APPLICANT'SDECLABATION

Isolemnly swear that I have fully **disclosed** all matters to the best of my knowledge and belief, and do hereby accept the loan, as approved, with the conditions set out herein, having read and **understood the contents therein.**

Signed..... **Declarant.**

This.....day of.....20.....

Before me; —
Commissioner
For Oaths.

THIRD SCHEDULE

Application Form for Mortgage Loan (r.8)

PART I—APPLICANT’S DETAILS

TO: THE CHAIRPERSON BUNGOMA COUNTY (EXECUTIVE) CAR LOAN AND MORTGAGE SCHEME COMMITTEE

I.....P/No.....

a member of the Bungoma County (Executive) Car loan and Mortgage Scheme Fund, of ID. No.....of P.O. Box.....

Telephone.....

E-mail.....

Details of next of kin

Name.....ID. No.....

Relationship.....

P.O. Box.....

Telephone No.....

1. I hereby apply for a loan of KShto purchase property under the Bungoma County (Executive) Car Loan and Mortgage Scheme.
2. The loan shall attract interest of three percent per annum. I undertake to pay the loan advanced to me together with the interest in monthly installments until payment in full. I hereby declare that my monthly salary is KSh. () per month.
3. I am also entitled to allowance of KSh..... (.....) per month.
4. I undertake that monthly installment shall be effected by way of monthly deductions from my salary and/or **any other benefits** including allowances and **gratuity** and pension in **case of default**.
5. I hereby authorize you to offset any existing facility subject to my loan limit.
6. I hereby authorize the Fund to register the property in the joint names of Bungoma County and my name, until the loan facility is fully repaid.
7. I hereby authorize the Fund to take out a mortgage protection policy and a fire policy for the mortgage property and to debit the premiums thereof to my loan account.
8. I bind myself that in case of my default to repay the loan, the Fund shall be at liberty to sell the property to offset the outstanding loan.

PART II —RECOMMENDATION

1. I certify that.....is eligible for a mortgage of KSh.....
(.....) if the salary is not committed in any other way that would prejudice the repayment of the loan.
2. I **certify** that **the applicant is** eligible for a Mortgage of up to KSh..... repayable in full within.....months.
3. I certify that payment of the monthly installments will not cause financial (pecuniary) embarrassment to the said officer (subjected No. 1 above).
4. You are at liberty to recover the said loan by way of monthly installment upon disbursement.
5. I recommend that’s application be approved in full up to a limit of KSh..... (.....) Payable in months Subject to the member having no other loan to the service.
6. I recommend the Executive Committee Member of Finance to determine the monthly deduction, the installment payable in recovery of the loan by a check off system.

PART III —APPROVAL BY COUNTY EXECUTIYE COMMITTEE MEMBER FOR FINANCE

I hereby approve.....’s application of KSh. (.....) in respect of a mortgage loan to be repaid overMonths and a further sum of KSh..... (.....) in respect of insurance premium to be repaid over 12 months for each year of the loan.

The loan shall be recovered at KSh..... (.....) in monthly installments by check off system.

Date.....Signed.....

PART IV —APPLICANT’S DECLARATION

I solemnly swear that I have fully disclosed all matters to the best of my knowledge and belief, and do hereby accept the loan, as approved, with the conditions set out herein, having read and understood the contents therein.

Signed..... Declarant

This.....day of.....20.....

Before me; —

Commissioner for Oaths

Made on theday Of in the year.....