

## 1. Definitions

- a) "The Bank" means HFCB Limited and its successors and assigns.
- b) "Borrower" means the applicant(s) specified in the Application and their personal representatives and assigns. Where there is more than one Borrower, their obligations are joint and several.
- c) "Application" means the Borrower's application for a HF Personal Loan attached to these conditions and which forms an integral part of the Agreement.
- d) "Conditions" mean these Terms & Conditions.
- e) "Interest Period" means, the period commencing on the date of first disbursement of the Loan (or any part of the Loan) and ending in respect of any subsequent Interest Period, the period ending after the end of the previous Interest Period or on the last Repayment Date (whichever is the earlier).
- f) "Repayment Date" means the day corresponding to the date of first disbursement of the Loan or any part of the Loan in each calendar month following the date of such disbursement provided that if there is no such corresponding day for the month in question, the Repayment Date for that month shall be the last day of the month and "Repayment Dates" shall have a corresponding meaning.
- g) "Agreement" means the Borrower's Application, duly approved by the Bank and these conditions as may be amended, supplemented and restated or otherwise notified from time to time.
- h) "Account" means the Borrower's current / Transactional / savings account with the Bank.
- i) "Security" means any security required by the Bank offered as a condition for disbursement of the Loan.
- j) "Loan" means the aggregate of the approved Loan Amount and the applicable Group Credit Life Cover Premium, or so much thereof as may have been disbursed and is from time to time owing by the borrower and includes all the Borrower's obligations.
- k) "Group Credit Life Cover" means such personal accident insurance cover as the Bank may place with an insurer selected by the Bank in respect of such accidental risks affecting the Borrower, as the Bank shall determine.
- l) "Group Credit Life Cover Premium" means the cost to the Bank of any Group Credit Life Cover Insurance.
- m) "Statement" means a statement of the Borrower's account showing the debits and credits, and includes a summarized certified account balance signed by a Bank officer
- n) "Determine" means with respect to interest and charges to the loan such rate of interest as the Bank may in its sole discretion decide and/or notify from time to time.
- o) "Approved" means the acceptance by the Bank of the loan applied for or such lesser sum as it may in its sole discretion agree to advance to the Borrower. "Approval" shall have a corresponding meaning.
- p) "Disbursement" means the crediting of the approved loan into the Borrower's account or by any other mode making payment of the principal loan to the Borrower or for his account.
- q) "Notify" means notified in accordance with clause 10 of the conditions.
- r) "Collateral" means all real and personal property which is subject or intended to become subject to security granted to the Bank to secure the Borrower's obligations.
- s) "Obligations" means (a) all loans, advances, debts, liabilities owed by the Borrower, including all interest, fees, expenses, principal, premium (b) any and all sums advanced or payable in order to effect or preserve the collateral or exercising any right under the collateral; (c) in the event of any proceeding for the collection or enforcement of the obligations after an event of default shall have occurred, the expenses of realizing the collateral together with Advocates costs and court fees.

## 2. Interest

- a) The Borrower will pay interest (as well after as before any demand or judgement or the bankruptcy of the Borrower) on the Loan in respect of the first Interest Period at the rate per annum determined and notified by the Bank and for each subsequent Interest Period at such rate as may be determined by the Bank in accordance with Condition 2 (b). Interest shall be calculated on daily balances and debited monthly by way of compound interest according to the usual mode of the Bank but without prejudice to the right of the Bank to require payment of such interest when due.
- b) Interest shall be payable in respect of each subsequent Interest Period at such rate or rates and in such a manner per annum as the Bank shall in its sole discretion determine. The rate of interest for each Interest Period subsequent to the first shall be notified to the Borrower not less than seven days before the commencement of each subsequent Interest Period. Unless the Borrower shall repay the Loan and all other sums payable in accordance with these Conditions in full, prior to the commencement of the relevant subsequent Interest Period the Borrower shall be deemed to have agreed that the rate of interest payable in respect of that subsequent Interest Period shall be notified by the Bank.
- c) The Statement of the Bank as to the amount of interest payable in respect of any Interest Period or as to the rate of any interest payable pursuant to these Conditions shall be conclusive.
- d) A default penalty interest rate will be solely fixed and/or charged by the Bank on any amount that remains unpaid after its due date.

### 3. Approval, Effectiveness of the Loan, and Repayment Instalments

- a) The Bank may approve the full loan applied for, or a lesser sum, or decline the application in its sole discretion without giving any reasons. Such decision of the Bank may be by endorsement to that effect in the relevant part of the Application, or by a separate letter, and in either case it shall be effective to bind the parties without any further act by the Borrower.
- b) The acceptance of a fee by the Bank does not place an obligation on the Company to lend you money, and any such accepted monies shall not be reimbursed in the instance of decline of this application.
- c) The loan and these conditions shall become effective and the Borrowers obligations to the Bank shall commence immediately upon the Bank disbursing the approved amount by crediting the Borrower's Account or otherwise by applying the principal loan proceeds for the Borrower's account.
- d) The Borrower will repay the Loan in terms of the Bank's approval or as specified and notified by the Bank by letter or otherwise together with the interest by the number of equal (or substantially equal) Monthly Repayment Instalments in cleared funds on the Repayment Dates.
- e) Upon expiry of each Interest Period, the Bank will, upon determination of the rate of interest payable for any subsequent Interest Period in accordance with Condition 2 (b), recalculate the amount of each subsequent Monthly Repayment Installment so as to amortize the balance of the loan and the amount of interest payable for that Interest Period and that prospectively payable for any subsequent Interest Periods over the remaining Monthly Installments.
- f) The Statement of the Bank notified to the Borrower of the amount of each monthly Repayment Installment payable pursuant to this Condition shall in the absence of manifest error be conclusive.
- g) Time for payment of each Monthly Repayment Installment is of essence.
- h) All payments shall be in Kenya Shillings in cleared funds during the normal banking hours. If any sum falls due for payment on a day which is not a day on which the Bank is open for business in Nairobi it shall be made on the immediately preceding day on which the Bank is open for business in Nairobi.

### 4. Security

The Bank may, upon approval of the loan, accept the security offered and/or require other or additional collateral to be effectively provided and perfected as a condition precedent to disbursements. Provided that, notwithstanding any disbursement made at the discretion of the Bank before perfection of such security, the condition to perfect the security shall remain valid and binding.

### 5. Application of Payment Proceeds

- a) All payments received by the Bank in respect of the Loan shall be credited only when the payment shall have been received in cleared funds. Any payments otherwise credited by the Bank in respect of the Loan shall be subject to receipt of cleared funds and in default shall not be deemed credited until receipt of cleared funds.
- b) All payments received in respect of the Loan shall be applied in or towards first, cost and expenses payable by the Borrower under these Conditions; secondly, the amount of interest for the current Interest Period; and thirdly, the Loan.

### 6. Prepayment

The Borrower may prepay the whole or any part of the Loan subject to any payment being applied in the order specified in Condition 4 and subject also to the condition that, if any prepayment is not made at the end of an Interest Period, the Borrower shall not be entitled to any reduction in the amount of interest payable for that Interest Period and the Borrower shall, upon prepayment, pay to the Bank the whole of the interest payable for that Interest Period less any Interest already paid.

### 7. Costs and Expenses

- a) The Borrower shall reimburse the Bank forthwith upon demand for all costs, (including all stamp duties and legal expenses) on a full indemnity basis incurred in connection with the perfection of the Security.
- b) The Borrower shall indemnify the Bank forthwith upon demand for any costs incurred by the Bank in taking any steps to obtain payment of moneys due under this Agreement including cost of enforcement of any security held and including costs of advocates on an advocate and own client basis.
- c) If a demand is made by the Bank under paragraph (a) or (b) above and the Borrower does not make the payment within seven days of the date of such demand, the Bank shall have the right to apply all related costs to the Borrower's Account accordingly and the Borrower hereby so confirms.
- d) On or before the date of execution of this Agreement the Borrower will be required to deposit an appropriate amount of money in the Account for the purpose of meeting preliminary expenses like valuation and search fees.

### 8. Set Off

The Bank may set off any amounts under this Agreement against any sums owing by the Bank to the Borrower (whether jointly or severally) and otherwise combine and consolidate the accounts of the Borrower with the Bank.

### 9. Event of Default

The Bank shall not be obliged to advance the Loan or, where the Loan has been advanced, may demand immediate payment of all amounts owed under this Agreement, in the event that:

- a) The Borrower fails to pay any sum payable hereunder on its due date for payment.
- b) The Borrower fails to perform and observe any obligations under the Agreement conditions.
- c) The Bank has reason to believe that the Borrower or any of them is, or are likely to become insolvent or have otherwise committed an act of bankruptcy.

## 10. Additional Provisions

- a) No indulgence by the Bank in respect of any of its rights hereunder will operate as a waiver of its said rights.
- b) No amendment or variation of this Agreement shall be valid or effective unless it be in writing and signed by the necessary parties except that, as specified in Conditions 2 and 3 above, the Bank may determine the rate of interest payable in each subsequent Interest Period and adjust the amount of each Monthly Repayment Installment.
- c) A certificate under the hand of a manager of the Bank whose office need not be proved shall constitute prima facie proof of any amount owing in terms of this Agreement for any purpose and at any time.
- d) Reference to the masculine gender shall include a reference to the female gender and vice versa. Reference to the singular shall include reference to plural and vice versa.
- e) The Borrower acknowledges that no representations or inducements to enter this Agreement have been made whether orally or otherwise other than those specifically referred to herein.
- f) The Borrower expressly consents to the collection, processing and storage of his/her personal data with HFCB, as shall be necessary for facilitating the processing of the facility applied for. HFCB may hold and process, by computer or otherwise, any information obtained about the Borrower as a consequence of the application for the Facility.

## 11. Notices and Place of Payment

Any notice to be given to the Borrower in connection with the Agreement shall be in writing and may be delivered to the Borrower or any one of them personally in which event it shall be deemed to have been duly given at the time of receipt or may be given by prepaid registered post to the Borrower's postal address specified in the Application or such other postal address as may be notified by the Borrower to the Bank. Any such notice shall be deemed to have been duly given on the seventh day following the date of posting. Proof of posting by a receipt or certificate of posting of a registered letter addressed to the Borrower at the address in the Application, or such other address as the Borrower may notify shall be conclusive proof that the said notice has been duly posted notwithstanding non-receipt of such notice by the Borrower. Any notice to be given to the Bank shall be in writing and shall be delivered to, at the Branch of the Bank or at such other address as may be notified by the Bank.

## 12. Group Credit Life Cover

- a) The Bank may in its sole discretion take out Group Credit Life Cover in respect of the Borrower.
- b) The Borrower shall reimburse the Bank the Group Credit Life Cover Insurance Premium, the amount of which will be advanced and form part of the Loan.
- c) The Bank will on written request from the Borrower or any of them provide particulars of the Group Credit Life Cover Insurance.
- d) The Borrower will forthwith notify the Bank of any event, which may give rise to a claim under the Group Credit Life Cover Insurance.
- e) All proceeds received by the Bank in respect of any claim made under the Group Credit Life Cover Insurance, will be applied by the Bank in repayment of the Loan. Any surplus after such application will be paid to the account.

## 13. Counter-parts

This Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument

Customer Name: \_\_\_\_\_ Email: \_\_\_\_\_

Personal No. \_\_\_\_\_ Customer signature: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Signed for the Bank By: \_\_\_\_\_

Email: \_\_\_\_\_ Personal No. \_\_\_\_\_