

The Branch Chairman/Chairlady
Ukulima Sacco Society Ltd.
.....Branch
P. O. Box.....
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Dear Sirs/Madam,

REF: REVIEW OF TERMS & LOAN INTEREST RATES

We are pleased to announce and update all our customers/members that we have revised our interest rates and terms on our BOSA and FOSA loan products, following the Board of Directors resolution during its meeting on 16th November 2016.

The new rates will come into effect from **1st December 2016** and will apply to newly applied products as indicated below:-

A. BOSA LOANS

1. Emergency Loan (12 months) - Reduced the interest from 1.5% to **1%** per month on reducing balance.
2. Refinance Loan (30 months) - Reduced the interest from 1.5% to **1.2%** per month on reducing balance.
3. Super Loan (72 months) - Reduced the interest from 1.5% to **1.2%** per month on reducing balance.
4. Capitalized Interest on BOSA Loans - The Society will recover in advance all interest in excess of 1% per month on Refinance Loan, Jitegemee Loan and Super Loan. This translates to **2.69%, 4.67% and 5.35%** of amount approved respectively.
5. Chipukizi Loan (48 months) - Shall be restricted only to members working in the public sector i.e. national & county governments, all government agencies, commissions and parastatals. The product is now accessible to the members regardless of membership period provided it is their first BOSA loan. Other terms remain as before.

B. FOSA LOANS

1. Uhuru loan (60 months) - Reduced the interest rate from 1.9% to **1.2%** per month on amortization. Uhuru loan has been renamed ***Fosa Daima Loan***.
2. FOSA Flex Loan (48 months) - Reduced interest rate from 1.75% to **1.2%** per month on amortization.

3. FOSA Fahari Loan - Reduced the interest from 1.65% to **1.2%** per month on amortization. Loan term revised to 36 months.
4. Top up on Fosa Daima, Flex and Fahari loans to attract a commission on **5%** on outstanding balance. (Applicable to new loans granted at 1.2 % interest).
5. Fosa flat rate top up commission - Reduced from 8% to **5%** on outstanding balance to enable members migrate to the new rates. (Applicable to FOSA Flex loans outstanding before 1/12/2016).
6. A member can access all FOSA loan products at the same time subject to repayment ability provided that total loans at FOSA do not exceed Kshs.2,000,000/-. A maximum limit of Kshs.1.0 million has been removed.
7. **Msacco Advance**
 - Requirement for guarantors has been waived. Loan to be secured by BOSA deposits.
 - Loan ceiling of Kshs.20,000/- has been waived. Amount to be pegged on 90% net salary after other FOSA deductions.
 - Loan repaid once at 10% interest.
 - Mahitaji advance has been replaced by Msacco - all applications to be done through the mobile phone.

The changes above will not apply retrospectively. Other terms and conditions applicable to the above remain as before.

Yours faithfully,

R. O. NYAANGA
Ag. CHIEF EXECUTIVE OFFICER

Encl. - Revised Rates Schedule