

# **LOAN AGREEMENT**

**DATED.....**

**BETWEEN**

**NARIMA CAPITAL LIMITED**

**AND**

*Name:*

*I.D:*

*Signature:*

**THIS LOAN AGREEMENT** is made between **NARIMA CAPITAL LIMITED** (“the Lender”) a limited liability Company of P.O Box 45779 - 00100 Nairobi and ..... (“The Borrower”) of P.O Box .....residing at plot No.....in.....Estate and whose ID No. is..... Telephone No..... and whose office is at House/Building.....Street..... Town or Village.....

**WHEREAS:**

- a) The Lender is a company offering financial services (hereinafter referred to as ‘the Loan’) in Kenya as permitted under the Laws of Kenya.
- b) The Borrower is desirous of receiving a personal loan not exceeding the amount stated in the particulars hereinafter from the Lender upon such mutually agreed terms.
- c) The Borrower warrants, declares and guarantees that he is financially capable of servicing the loan.
- d) If he/she offers certain tangible security in the form of any property or asset as security for the loan as stated in the particulars hereinafter, the Borrower warrants that he/she is the beneficial and or the lawful owner of the property or asset which he/she offers herein as security for the loan, and further that he/she is in a position to pass good title to the Lender as the part of the terms of securing the repayment of the loan granted under this agreement.
- e) The Borrower has made an application for the loan, and the Lender has agreed at the voluntary instigation and application of the Borrower to grant a loan to the Borrower, which the Borrower hereby accepts and agrees to repay in accordance with the terms and conditions of this agreement.

**NOW THIS INSTRUMENT WITNESSETH AS FOLLOWS:**

**IN CONSIDERATION** of the Lender from time to time making or continuing loans or advances or granting any financial facilities or other accommodation or granting time for so long as it may think fit to the person(s) named as the Borrower(s) in the particulars set out below, the Borrower, unconditionally and irrevocably admits and declares that he/she has been accorded and thus benefited by the way of financial facilities from the Lender as is more particularly

---

*Prepared By Narima Capital Limited*

*Read, explained by an Advocate, Understood, Accepted & Signed By:*

*Name:*

*Page 2*

*I.D:*

*Signature:*

defined and specified in both the letter of offer from the Lender to the Borrower ,if at all any was issued (hereinafter called the “Letter of Offer”), and the particulars set out herein shall prevail, and:

That he/she is so indebted to the Lender to the tune of the loan stated in the particulars set out herein, together with such interest fees commission costs charges as provided for herein and stated in the particulars hereinafter.

That the Borrower issues to the Lender his unconditional and irrevocable in respect of his obligations to the Lender, and expressly and unconditionally agrees to the terms stated herein and agrees to undertake his obligations as is hereinafter contained;

**1. DETAILS OF ANY POST-DATED CHEQUES ISSUED BY BORROWER**

	Cheque No.	Drawers Bank	Branch	Amount
1.				
2.				
3.				
4.				
5.				
6.				

**DETAILS OF STANDING ORDER LETTER ISSUED BY BORROWER TO LENDER**

As per the Standing Order Letter/Request Form dated \_\_\_\_\_ Amounting to Kenya Shillings (in figures) \_\_\_\_\_ (in words) \_\_\_\_\_  
\_\_\_\_\_ duly signed by the Client and the Bank official and stamped, showing Installments payable to **Narima Capital Limited** to be effected on the ..... day of every month commencing on the ..... Day of ..... 20.... to the .....day of ..... 20....

**3. SECURITY OFFERED:**

- a) Log book of Vehicle Registration No. ....Make.....  
value.....
- b) Land plot No.....Location.....Town .....  
value.....

**4. ENFORCEMENT OF SECURITY FOR REPAYMENT** (any one, some or all of the following)

In consideration of the loan and as security by the Borrower to the Lender, the Borrower agrees to issue security to the Lender for the observance of his obligations to the Lender as follows:

- a) The borrower hereby hands over/is agreeable to the Lender, detaining both the log-book and a duly executed but blank motor vehicle transfer form with respect to the motor vehicle, whose registration number is stated herein or such any other motor vehicle in its place (hereinafter referred to as the ‘**motor vehicle**’, to be held as security for the loan; and or,
- b) The Borrower hereby hands over /is agreeable to the Lender detaining both the original title documents under certificate of deposit and by way of equitable charge and mortgage and or a duly executed charge and or mortgage over Land Title of Reference Number stated hereinabove or such any other immovable property in its place (hereinafter referred to as the ‘property’), to be held as security for the loan; and or,
- c) By this agreement ,the Borrower hereby gives personal guarantee and expressly places a floating charge upon all the personal assets as additional security for the repayment of the loan granted under this agreement , and pledges the same to the Lender that it may attach the same towards repayment upon default ;and or,
- d) By this agreement, the Borrower hereby expressly places a charge upon all the deposits and shares of held by him/her in the business carried on by the Lender as the security for the repayment of the loan granted under this agreement, and pledges the same to the Lender that it may attach the same towards repayment upon default, or even set-off any outstanding amounts there from without seeking any court decree or declarations.
- e) By this agreement, the borrower avers and undertakes to pay for any other charges incidental to repossession and disposal of the charged security.

*Name:*

*I.D:*

*Signature:*

f) For this purpose, the Borrower agrees to the following:

- I. To the release of the securities to him/her only upon his/her (the Borrower 's ) full repayment of the loan;
- II. To his/her execution of any chattels transfer mortgage over security or other charge and or mortgage over immovable which such lawyers acting for the Lender shall prepare hereinafter;
- III. To pay the rubber stamp duties, registration fees, legal fees and other costs and expenses for perfecting the said securities.

## 5. DEFAULT IN PAYMENT OF CHEQUES

a) **“Cheque”** It's a document that orders the bank to pay a specific amount of money from the client's account to the Lender Narima Capital Limited.

**“Default”** This is the failure to meet the financial obligations indicated in this loan agreement that is signed by yourself and Narima Capital. Which translates into the clients' inability to pay their debts in time.

Default in this case occurs when a client fails to honor an obligation to repay his/her loan facility within 5 days from the date of commencement as per the due date on the cheque.

Upon default or late payment of any installment, there shall be an additional interest of 5% within Seven days (7) of the defaulted amount from the due date.

b) The Borrower can only request in writing for a cheque to be held by accounts. Upon approval by the committee, a borrower can be allowed to delay a monthly installment for a maximum period of Seven (7) days from the due date and upon payment of 5% as per the phase value of the cheque. Such request must be received before the installment becomes due. The extension charges of 5% is payable by cash and must be accompanied by the letter before the request can be considered .If the penalty is not paid as per this requirement the installment as per the cheque will be deposited whether the borrower has made the request or not.

In addition to the default interest above, the loan shall continue to accrue interest at the rate chargeable on the loan as stated hereinbefore, until repayment is done in full.

c) The Borrower warrants that if any cheque (s) issued by her/him is not honored upon presentation by the Lender, he/she agrees to indemnify the Lender and pay a charge of up to a maximum of Kshs.5,000/= and a penalty of 5% as per the phase value for each dishonored

cheque towards the Lender's charges and penalties, in addition to the loan repayment amount.

- d) i) **For a first time Client:** In case payment of the 1<sup>st</sup> installment is not honored by the paying bank, the Lender shall withdraw this facility and demand the repayment of the entire outstanding loan together with any interest thereupon.
- ii) **For an existing client:** In case payment of the 2<sup>nd</sup> installment is not honored by the paying bank, the Lender shall withdraw this facility and demand the repayment of the entire outstanding loan together with any interest thereupon.
- iii) **For Rescheduled loans:** In case payment of the 1<sup>st</sup> installment is not honored by the paying bank, the Lender shall withdraw this facility and demand the repayment of the entire outstanding loan together with any interest thereupon without further reference to the borrower.

## 6. DEFAULT IN PAYMENT OF STANDING ORDERS/REQUEST FORM

a) **“Standing Order”** This is a client's instruction to their Bank to pay a set amount, to Narima Capital at regular intervals (say the 1<sup>st</sup> of every month) for a specific period of time.

**“Default”** This is the failure to meet the financial obligations indicated in this loan agreement that is signed by yourself and Narima Capital, which translates into the clients' inability to pay their debts in time.

Default in this case occurs when a client fails to honor an obligation to repay his/her loan facility within 5 days from the date of commencement as per the standing order or the request form due date.

Upon default or late payment of any installment, there shall be an additional interest of 11% within Ten days (10) days from the due date of the defaulted amount on the standing order /request form.

b) In addition to the default interest above, the loan shall continue to accrue interest at the rate chargeable on the loan as stated hereinbefore, until repayment in full.

c) The Borrower warrants that if any Standing Order Letter/Request Form installments issued by her/him is not honored, he/she will pay a charge of upto a maximum of Kshs.5,000/= for nonpayment.

- d) i) **For a first time Client:** In case payment of the 1<sup>st</sup> installment is not honored by the paying bank , the Lender shall withdraw this facility and demand the repayment of the entire outstanding loan together with any interest thereupon.
- ii) **For an existing client:** In case payment of the 2<sup>nd</sup> installment is not honored by the paying bank , the Lender shall withdraw this facility and demand the repayment of the entire outstanding loan together with any interest thereupon.
- iii) **For Rescheduled loans:** In case payment of the 1<sup>st</sup> installment is not honored by the paying bank, the Lender shall withdraw this facility and demand the repayment of the entire outstanding loan together with any interest thereupon without further reference to the borrower.
- e) In default of repayment of the loan as provided hereinabove, the Lender shall be entitled at its discretion to any of the following:
- I. Instruction of Auctioneers to attach and or seize the Motor Vehicle or such Assets as have been offered herein as security;
  - II. Realization of the security (the motor vehicle /assets/property ), provided herein ,by way of either private treaty or public auction ;
  - III. Set-off against any of the Borrower deposits or investments held by the Borrower ;and
  - IV. Any other or further legal remedies in place of or in addition to the above.

## 7. GUARANTEE TO PAY ON DEMAND

The Borrower will pay to the Lender on demand all money and discharge all obligations and liabilities, whether actual or contingent , now or hereafter due , owing or incurred to the Lender by the Principal Debtor in whatever currency denominated whether on any current or other account or otherwise in any manner whatsoever (whether alone or jointly and in whatever style ,name or form and whether as principal or surety ) together with the interest (as well after as before any demand or judgment) to date of payment.

## 8. CONTINUING SECURITY

The guarantee and security for repayment of the loan issued by the Borrower herein shall be a continuing security (subject only to termination by notice as provided below) and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account.

## 9. NOTICES ETC

Any communication under this Loan Agreement shall be hand delivered or sent by post/telex/email or fax addressed to the Borrower or to the person to or upon whom the communication is to be made at the registered or principal office or last known place abode of the Borrower or of such person, as the case may be. In the absence of evidence of earlier receipt, any communication shall be deemed to have been received by the Borrower or to the person to or upon whom the communication is to be made, if delivered by hand, at the time of delivery or, if sent by post, four days after posting or, if sent by telex/email or fax, on the completion of transmission.

## 10. PREPAYMENT

The Borrower may prepay the whole or any part of the loan. Upon prepayment, interest charged by the Lender is inclusive of the stipulated period.

## 11. PAYMENTS

All sums payable by the Borrower under this agreement, whether principal, interest or otherwise shall be paid to the Lender on the due date in cleared funds, free and clear of any present or future taxes, duties charges, fees or withholdings and without any set-out or counterclaim or condition or deduction whatsoever. If the Borrower is compelled by law to make any deduction or withholding, the Borrower shall promptly pay to the Lender such additional amount as shall make the net amount received by the Lender equal to the full amount payable by the Borrower had there been no deduction or withholding. Any additional amount paid under this sub-clause shall not be treated as interest but as agreed compensation.

## 12. CHARGES

### 12.1 Processing Fees

All our other charges will be catered for in the 5% Admin Fees which is a one off charge.

Car Track	Kshs. 11,500 for the maximum repayment period of Two (2) months. (Gadget- Kshs. 7,500; monthly maintenance fee – Kshs. 4,000). This is a one off charge for all loans. If repayment is done in less than the two (2) months, the monthly maintenance fee for the remaining months is refundable. For clients with an existing facility with Narima Capital, upon purchase of the gadget at Kshs. 30,000 a monthly maintenance fee of Kshs. 500 will be charged.
-----------	---

Transfer fees	Charged as per the Kenya Revenue Authority transfer fees Schedule Plus an additional processing fee of Kshs. 2,500
---------------	--

Search fees                   Kshs. 2,000  
Valuation fees               Kshs. 3,000  
Credit insurance fee   1% of the total loan amount

## **12.2 Repossession Fees**

Auctioneers fees           As per the auctioneers scale  
Storage fees                Kshs. 250 per day and a standard fee of Kshs.1,000.00

### **NB:**

For **ALL CLIENTS**, all the processing fees are paid in cash before any disbursement is done.

The processing and repossession fees are payable to Narima Capital Limited.

## **13. ENFORCEABILITY OF THIS AGREEMENT AND RECOVERY OF LOAN**

For the avoidance of doubt, the Lender and the Borrower hereby acknowledge that they both having legal contractual capacity, have entered into this personal and private Borrower – Lender relationship , as a result of which the Borrower acknowledges having benefited from and also being indebted the Lender in the amount shown herein ,and agrees to the repayment of the said amount ,or in the alternative the recovery of the same by the Lender, notwithstanding any claims of illegalize or unlawfulness of either this Borrower-Lender relationship ,or the non-fulfillment or legal void ability of any of the processes herein such as the execution of any charges of mortgages stated herein or otherwise legally required.

## **14. AGREEMENT NOT TO CONSTITUTE A PARTNERSHIP**

None of the provisions of this agreement shall be deemed to constitute a partnership between the parties and neither of them shall have any authority to bind the other in any way.

## **15. SEVERABILITY**

If an arbitrator, court or other component authority finds any of the provisions of this agreement to be void or unenforceable, such provision shall be deemed to be deleted from this agreement and the remaining provisions of this agreement shall continue in full force and effect. Notwithstanding the foregoing, the parties shall thereupon negotiate in good faith in order to

agree to the terms of a mutually satisfactory provision to be substituted for the provision so found to be void or unenforceable.

## 16. GENERAL MATTERS

- a. This agreement supersedes any previous agreement between the parties in relation to the matters dealt with herein and represents the entire understanding between the parties in relation to the matters dealt with herein.
- b. Words denoting the singular number only shall include the plural and vice versa.
- c. Unless the context otherwise requires, reference to any clause, or schedule is to a clause, or schedule of or to this agreement.
- d. The headings in this agreement are inserted for convenience only and shall not affect the constitution hereof.
- e. This agreement may be amended upon such terms and conditions as the parties hereto may from time to time agree in writing.

## 17. MOTOR VEHICLE INSURANCE-CHEQUES

If the Motor Vehicle Insurance for the Borrower lapses before the expiry of the loan facility, the Borrower will make a cheque payment “insurance cheque” in favor of the Lender. The Lender shall renew the Motor Vehicle Insurance with the preferred Insurance Agency of the Borrower once the cheque payment clears. In the event that the client renews the insurance before the cheque is deposited, the Lender shall refund the “insurance cheque” back to the Borrower.

The Borrower warrants that if any cheque (s) issued by her/him for the motor vehicle insurance is not honored upon presentation by the Lender, he/she agrees to indemnify the Lender and pay a charge of upto a maximum of 10% of the value on **each and every dishonored cheque (s)** towards the Lender’s charges and penalties.

If the insurance is not renewed by the Borrower and if the borrower’s cheque is not honored by the paying bank, Narima Capital Limited shall make the payment to the insurance company and the Borrower warrants that he/she shall pay a monthly charge of 10% on the amount paid to the insurance company for as long as the loan is outstanding and/or until the loan is repaid in full.

## 18. MOTOR VEHICLE INSURANCE-STANDING ORDER

If the Motor Vehicle Insurance for the Borrower lapses before the expiry of the loan facility, the Borrower will make a Standing Order payment “insurance standing order” in favor of the Lender. The Lender shall renew the Motor Vehicle Insurance with the preferred Insurance Agency of the Borrower once the Standing Order payment clears. In event the client renews

---

the insurance before the Standing Order is deposited the Lender shall refund the “insurance standing order” back to the Borrower.

The Borrower warrants that if any standing order (s) issued by her/him for the motor vehicle insurance is not honored upon presentation by the Lender, he/she agrees to indemnify the Lender and pay a charge of upto a maximum of 11% of the value on **each and every dishonored standing order (s)** towards the Lender’s charges and penalties.

If the insurance is not renewed by the Borrower and if the borrower’s standing order is not honored by the paying bank, Narima Capital Limited shall make the payment to the insurance company and the Borrower warrants that he/she shall pay a monthly charge of 11% on the amount paid to the insurance company for as long as the loan is outstanding and/or until the loan is repaid in full.

**19. AMOUNT BORROWED**

I .....now commit myself to repay the amount of Kenya Shillings.....with interest of Ksh.....at the rate of.....per month until payment is done in full.

**IN WITNESS** of which the parties have executed this agreement as a deed.

Signed for the **LENDER** by: )

As duly authorized representative of: )

In the presence of: )

)

Signed by: )

(The **BORROWER**) )

In the presence of: )

)