



## KENTOURS REGULATED NON-WDT SACCO SOCIETY LTD.

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3<sup>rd</sup> August, 2022

Dear Member,

### **RE: REMINDER ON NEW PRODUCTS AND REVIEW OF TERMS FOR EXISTING PRODUCTS**

We would like to inform you that the new products earlier communicated on 22<sup>nd</sup> June 2022 are now **available** for you to patronize. You can access the new forms from our website. The old forms will no longer be used for loan applications. Below are the new and revised products that were announced.

#### **1. Deposits Boosting Facility**

This facility enables members to borrow funds from the Sacco to increase their deposits in order to qualify for higher loans amount. A member will be advanced equivalent of up to 100% of own deposits subject to a maximum of Kshs. 200,000, which will be credited to his/her deposits. A one-off fee of 5% will be charged on the boosted amount. Additionally, insurance premiums will be charged at 0.35% on the boosted deposits and the resultant loan. The boosted deposits amount, the fee thereon and the additional insurance premiums will be recovered from the loan applied at the point of disbursement.

#### **2. Junior Savings Account**

A member can open and operate a savings account for children under 18 years of age. The savings will earn an interest of 6% per annum. For the account to earn interest, the account balance should be more than Kshs.10,000. A member can withdraw only once every six months. Joining fee of Ksh.1,000 and withdrawal fee of Kes 200 will be charged.

#### **3. Others**

##### **a. Restructuring of Loans**

Restructuring of loans was introduced in the year 2020 as a temporary measure owing the effects of COVID-19 on members' earnings. It allows members with the consent of guarantors, to extend the repayment period on running loans so as to reduce monthly repayment. The Board has now allowed restructuring as a permanent feature. A one-off fee of 2% will be charged on the restructured loan balance.

#### **b. Change of Demand Savings Account Name**

Under the Legal Notice No. 82 of 2020 of the Sacco Societies (Non–Deposit taking Business) Regulations, the Sacco Societies Regulatory Authority (SASRA) requires a non-deposit taking Sacco Society to align its products and operations with its licensed business. This has necessitated a change of the Demand Savings Account name which will henceforth be known as **Jipange Savings Account**. Other terms and conditions remain unchanged.

#### **4. New Products**

<b>Product Name</b>	<b>Product Description</b>	<b>Maximum loan Amount (Ksh.)</b>	<b>Max. Repayment Period (Months)</b>	<b>Interest Rate (Per Month)</b>	<b>Loan to Deposits Factor</b>
Karibu Loan	This is a loan for members who have been with the Sacco for <b>less</b> than 6 months.	500,000	12	1.5%	3
Jipange Loan	This loan product will be based and fully guaranteed by the Jipange Savings.	Based on Jipange Savings balance	12	1%	1
Junior Loan	This loan product will be based and fully guaranteed by the Junior Savings.	Based on Junior Savings balance	12	1%	1

#### **5. Review of Terms on Existing Products**

<b>Product Name</b>	<b>Changes</b>	<b>Maximum loan Amount (Ksh.)</b>	<b>Max. Repayment Period (Months)</b>	<b>Interest Rate (Per Month)</b>	<b>Loan to Deposits Factor</b>
Salary Advance	To allow repayment period options of either 1 or 2 months	50,000	1	3%	1
		50,000	2	5%	1
Instant Loan	To increase maximum repayment period from 24 to 36 months	500,000	36	1.125%	3.5

Please contact the Sacco office for any clarification.

Thank you.

**Philip Muchiri**  
**Hon. Secretary**