

SALARY ADVANCE LOAN TERMS & CONDITIONS



1. DEFINITIONS

In these conditions;

1.1 **“Account holder”** means the person liable to the Bank for the settlement of the Salary Advance Loan, interests and such other costs and expenses as are agreed to by the Parties hereto.

1.2 **“Conditions”** mean these terms and/or any other conditions that regulate or relate from time to time to the availing of Salary Advance Loan by the Bank.

1.3 **“Due Date”** means one (1) month from the date of disbursement of the Salary Advance Loan.

1.4 **“Salary Advance Loan”** refers to the term loan given to the customer through the mobile phone or such other mode as shall from time to time be made available by the Bank and in such amounts as shall be determined by the Bank in its absolute discretion after an Account holder makes a formal application

1.5 **“The Bank”** means Equity Bank (Kenya) Limited of P.O. Box 75104 - 00200, Nairobi which expression shall where the context so admits include its successors in title and assigns.

1.6 **“Operative Account”** means the account maintained by the Account holder with the Bank in connection with the Salary Advance Loan transactions.

1.7 The Bank and the Customer shall together be referred to as the **“Parties”** and where the context requires individually as a **“Party”**.

1.8 The masculine gender includes the feminine and vice versa.

2. CONDITIONS CONSTITUTING AGREEMENT

2.1 These Conditions as varied from time to time constitute the Agreement between the Account holder and the Bank with regard to Salary Advance Loan. These Conditions apply in addition to the General Terms and Conditions of operating an account with the Bank.

2.2 The Account holder by completing an Salary Advance Loan application online shall be deemed to have read, understood and agreed to be bound by these Conditions upon acknowledging their receipt as availed in the Salary Advance Loan application process.

2.3 The Account holder further confirms that he has considered the charges and interest levied by the Bank as specified in Condition 3 below and fully understands that failure to settle the Salary Advance Loan on the due date shall result in the same being rolled over as a fresh Salary Advance Loan on the same terms as those on which the rolled over Salary Advance Loan was availed. Such rollover shall persist until the total amount due under the Salary Advance Loan and subsequent roll overs are fully settled.

3. CHARGES & INTEREST

3.1. The following charges shall apply and may from time to time be subject to change without notice within the full extent permitted or demanded by law:

Salary Advance Loan		
Charge Description	Charges	
3.1.1	Interest Rate on loan amount	All advances made under the proposed facility shall attract interest at such variable rate or rates not exceeding any maximum permitted by law. The effective Interest rate shall be subject to the Equity Bank Reference Rate (EBRR), currently the EBRR stands at 14.39% per annum, plus a margin of 2.77%. The effective interest rate is thus 17.16% per annum.

3.1.2	Loan appraisal fee on fresh application	Maximum of 5% of the Loan amount recoverable upfront
3.1.3	Insurance Fee	0.625% on the Loan Amount which shall be recovered upfront.

4. SALARY ADVANCE LOAN REPAYMENT

4.1 The Salary Advance Loan is repayable on the Due Date.

4.2 Should the Salary Advance Loan not be paid on the Due Date, the Bank shall, though not obligated, demand from the Account holder all monies, which may then or thereafter be due and owing under these Salary Advance Loan loan Conditions, including but not limited to:

4.2.1 All loan appraisal fees due, loan appraisal fees on loan rolled over Salary Advance Loan, interest due on Salary Advance Loan and rolled over loan and principal Salary Advance Loan due;

4.2.2 All legal and other costs, charges and expenses which the Bank may pay or incur in connection with these Salary Advance Loan Conditions or the recovery of any monies owing hereunder;

4.2.3 A fee to compensate the Bank for a reasonable estimate of any loss incurred by the Bank as a result of default to the full extent permitted by law; and

4.2.4 All monies due and computed from the due date until the settlement in full.

5. INDEMNITY AND RECOVERY OF COSTS

5.1. The Account holder undertakes to indemnify and keep the Bank indemnified at all times against all actions, claims, demands, liabilities, losses, damages, costs, charges and expenses of whatever nature inclusive of any legal costs and disbursements incurred by the Bank in obtaining payment of any monies due and owing to the Bank from the Account holder. The indemnity shall remain valid, subsisting and binding upon the Account holder notwithstanding withdrawal & termination of the contract.

5.2. Any legal costs and disbursements incurred by the Bank as against the Account holder shall be deemed to include every sum which would be allowed to the Advocates of the Bank in taxation between the Advocate and clients to the intent that the Account holder shall afford to the Bank a complete entitlement and unqualified indemnity in respect thereof.

6. VARIATION

6.1 The Bank reserves the right to vary, amend or replace all or any of these Conditions at any time without prior notice. The Bank shall notify the Account holder of any changes made to these Conditions as soon as is practicable and by the most expedient means as determined by the Bank provided that failure to make such notification shall not invalidate the changes.

7. BREACH OF CONDITIONS

7.1 In the event of any breach by the Account holder of any of these Conditions the Bank may in circumstances where the Account holder fails to comply or procure compliance with the terms of a notice served by the Bank on the Account holder, require immediate repayment in full of the outstanding balance on the operative Account.

8. SALARY ADVANCE LOAN SUSPENSION

8.1 The Bank may at any time and without notice cancel or suspend the right to utilize Salary Advance Loan entirely or entirely withdraw Salary Advance Loan as a product without affecting the Account holder's obligations under these Salary Advance Loan Conditions.

9. RIGHT OF SET OFF

Upon the occurrence and during the continuance of default by the Account holder, the Bank is hereby authorized at any time and from time to time, without notice to Borrower and to the fullest extent permitted by law, to set-off and apply any and all deposits held in the Account holders other related accounts held with the Bank.

10. TERMINATION

10.1. Either Party may terminate their obligations under these Conditions at any time on written notice to the other Party. On termination by the Account holder the termination notice should be accompanied by the repayment of the full loan outstanding at the time of receipt.

10.2. Termination shall only be effective upon the discharge of all the outstanding liabilities under these Salary Advance Loan Conditions.

10.3. The Bank may cancel any Salary Advance Loan on written notice from Account holder accompanied by the payment of all sum outstanding loan balance.

10.4. The Bank may at any time and without giving reasons or notice terminate these Conditions and upon such termination the Account holder must repay the full outstanding Salary Advance Loan balance within the contracted period.

10.5. Termination by either the Account holder or the Bank shall not affect the Account holder's obligations to meet any liabilities incurred prior to such termination. This condition will continue until the Account holder has repaid all amounts outstanding at the time of termination.

11. DISCLOSURE OF INFORMATION

11.1. The Account holder agrees that the Bank may disclose details relating to the Salary Advance Loan to any third Party (including credit agencies) if in the Bank's opinion such disclosure is necessary for the purpose of evaluating any application made to the Bank or such third Party or maintaining the Operative Account with the Bank or other purpose as the Bank shall deem appropriate.

11.2. The Account holder agrees that the Bank may disclose details relating to the Salary Advance Loan including details of default in servicing the Operative Account to any third party (including credit agencies) for the purpose of evaluating the Account holder's credit worthiness or for any other lawful purpose.

12. GOVERNING LAW AND JURISDICTION

12.1 These Salary Advance Loan Conditions are governed in all respects by the Laws of Kenya.

12.2 Any dispute, difference or question whatsoever which may arise between the Parties including the interpretation of right and liabilities of either Party shall be referred to an arbitrator under the rules of the Arbitration (Amendment) Act 2009 of Kenya or any statutory modification or re-enactment for the time being in force, such arbitrator to be appointed by agreement of both parties and in the absence of agreement within fourteen (14) days of notification of the dispute by either Party to the other then on the application of any one Party to the Chairman of the Kenya Chapter of the Chartered Institute of Arbitrators and the decision of such arbitrator shall be final and binding on the Parties hereto.

12.3 Neither Party shall be entitled to commence or maintain an action in a Court of law upon any matter in dispute until such matter shall have been submitted and determined as hereinbefore provided and then only for the enforcement of the arbitration award or such matter as is permitted by law.

13. NON-ASSIGNMENT

The Account holder may not assign or otherwise dispose of any of the Account holder's rights and obligations under this Agreement. The Bank may transfer or assign its rights and obligations under these Conditions and such transfer or assignment shall be effective upon notification of the same to the Account Holder.

14. NOTICES AND CHANGE OF ADDRESS

14.1. All notices to the Account holder made under these Conditions shall be sent by short message system(sms) to the mobile telephone number availed by the Account Holder or by prepaid post to the last known postal address of the Account Holder whichever will be deemed to be expedient by the Bank pursuant to Condition 13.2.

14.2 The Account holder shall notify the Bank in writing of any change of address. Until such notice is received the Account holder's address shall be that stated in account opening documents as held by the Bank.

15. INSURANCE

15.1 The Account Holder shall be required to take out a credit life insurance cover to cover death and or disability at the rate of 1% of the loan amount.

15.2 The Bank will arrange for such credit life insurance at no extra charge. However, if the Account Holder wishes to obtain a different cover other than that arranged for by the Bank, such cover shall be from a panel of under writers in the Bank's panel which is available on our website <http://ke.equitybankgroup.com> /The Account Holder shall thereafter avail a copy of the policy to the Bank for approval prior to the loan disbursement.

16. CREDIT REFERENCE BUREAUS

The Account holder expressly consents and allows the Bank to forward personal data and full file credit information to licensed credit reference bureaus in accordance with the Banking (Credit Reference Bureaus) Regulations, 2008.

17. DATA PROCESSING

The account holder confirms that they have read and understood the terms of the Bank's Privacy Policy and hereby give express, unequivocal, free, specific and informed authority to the Bank and its Affiliates to use and process their data as per the Bank's Privacy Policy available at <https://equitygroupholdings.com/privacy-policy/>