LEGAL NOTICE NO. 1

PUBLIC FINANCE MANAGEMENT (NANDI COUNTY ASSEMBLY CAR LOAN AND MORTGAGE SCHEME FUND) REGULATION, 2014

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PUBLIC FINANCE MANAGEMENT (NANDI COUNTY ASSEMBLY CAR LOAN AND MORTGAGE SCHEME FUND) REGULATION, 2014

PUBLIC FINANCE MANAGEMENT ACT
(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance makes the following Regulations—

PUBLIC FINANCE MANAGEMENT (NANDI COUNTY ASSEMBLY CAR LOAN AND MORTGAGE SCHEME FUND) REGULATION, 2014

Citation

1. These Regulations may be cited as the Public Finance Management (Nandi County Assembly Car Loan and Mortgage Scheme Fund) Regulation, 2014.

Interpretation

2. In these Regulations, unless the context otherwise requires—

   “Service Board” means the Nandi County Assembly Service Board;

   Fund means Nandi County Assembly Car Loan and Mortgage Scheme Fund established under regulation 3;

   “Executive Committee Member” means the Executive Committee Member responsible for Finance;

   “County Assembly” means Nandi County Assembly;

   “Financial year” means the twelve months ending on the 30th day of June in each year.

Establishment of the fund

3. (1) There is established a fund to be known as the Nandi County Assembly Car Loan and Mortgage Scheme Fund.

   (2) The Fund shall be a revolving Fund for successive operational funds for the provision of car loans and mortgages to Members of the County Assembly every after general elections.

Object of the Fund

4. The object and purpose of the Fund is to facilitate car loans and mortgages to be advanced to Members of Nandi County Assembly as may be prescribed by the Salaries and Remuneration Commission, or any other lawful authority in for the time being.

Capital of the Fund

No.1 of 2014

5. (1) The initial capital of the Fund shall consist of monies allocated to the Fund in the Supplementary Budget and Appropriated by the Appropriation Act, 2014.

   (2) The County Assembly may appropriate additional monies to the Fund.
Administration of the Fund

6. (1) The administration and control of the Fund shall be carried out by the Executive Committee Member responsible for finance until such time when either of the following takes effect—

(2)(a) the county Assembly service board get autonomy to access, manage and administer their finances or,
(b) substantive Act of the County Assembly is enacted or,
(c) other Regulations are made for the County Assembly Service Board to administer the Fund.

(3) The Executive Committee Member shall, among other things, do the following—

(a) process applications for car loans and mortgages;
(b) liaise with the Loans and Mortgage Institution, if any, to set up a revolving fund for the disbursement of loans;
(c) supervise the day to day operations of the Fund;
(d) process applications for the granting of loans and mortgages to Members of the County Assembly, subject to the provisions of any agreement entered into by the Member of the County Assembly in relation to the loan or mortgage;
(e) receive, administer and invest the resources of the Fund;
(f) cause the keeping of books of accounts and other records of the Fund relating to the loans and mortgages financed from the Fund;
(g) give monthly updates to the Service Board, of all disbursements made to Members of the County Assembly;
(h) give monthly updates to the Service Board, of all recoveries made to the Fund;
(i) cause all recoveries to be deposited in a single account for all members in every successive term;
(j) cause to be prepared reports and accounts to be submitted to the Auditor General and the Controller of Budgets as may be prescribed by law;
(k) handover the records of accounts, statements and all related documents regarding disbursements and recovery status at the time when the Service Board or any other body, lawfully established takes over the administration of the Fund;
(l) Inform the Service Board, in writing as soon as is practicable, of any default in the payment of recoveries by any beneficiary of the Fund.

(4) Pursuant to regulation 6(2) above the County Assembly Service Board shall carry out the duties assigned to County Executive Committee Member responsible for Finance.

Appointment of Institution

7. Notwithstanding regulation 6, the Executive Committee Member may, if he or she considers it appropriate to do so appoint, with the approval of the County Assembly, a loan or mortgage institution to administer the Fund.
Application for Loan or Mortgage

8. A Member of the County Assembly wishing to get a loan or mortgage from the Fund shall make an application to the Executive Committee Member in the prescribed form duly signed, dated and filed as provided in the First and Second Schedules.

Utilization of Loan or Mortgage

9. (1) A loan or mortgage obtained under these Regulations shall be utilized, as the case may be, for—
   (a) the purchase of a car for use by the applicant; or
   (b) the purchase, development or renovation of residential property for occupation by the applicant.

   (2) A loan for purchase, development or renovation of residential property may be granted to a Member of the County assembly who is in possession of a valid sales agreement lawfully entered into and duly signed by the parties or a valid title deed as the case may be.

Repayment of Loan or Mortgage

10. A loan or mortgage granted under these Regulations shall be repayable within the term of the County Assembly and shall be fully paid at least three months before the end of the term.

Interest on Loan or Mortgage

11. A loan or mortgage granted under these Regulations shall be subject to the following conditions—
   (a) a car loan shall be for a maximum of Kenya shillings two million at the interest of three percent per annum, on a monthly reducing balance;
   (b) a mortgage facility shall be for a maximum of Kenya shillings three million at the interest of three percent per annum, on a monthly reducing balance;
   (c) Such other conditions as may be in the application form or as may be prescribed by the Salaries and Remuneration Commission of any lawful authority for the time being in force.

Insurance on Loan or Mortgage

12. (1) Every loan or mortgage granted under these Regulations shall comprehensively insured by the beneficiary for his or her own benefit

   (2) Where a beneficiary of the Fund is unable to raise the funds required for the initial insurance premium, the funds may be advanced from the Fund to an approved limit and that amount shall be shall be debited to the account of the Member of the Assembly.

General Conditions for Applicant

13. Subject to paragraph 6 (2)(d) and regulation 8 a Member of the Assembly applying for a loan or mortgage, in addition to filling in the forms under the First and Second Schedules, shall—
   (a) undertake that his or her monthly installments to be paid be made by deductions from his or her salary;
(b) undertake that in case of any default in payment, deductions be made from other benefits, including allowances, gratuity and pension;

(c) authorize the offsetting of any existing facility subject to the loan limit;

(d) undertake to have a comprehensive insurance cover throughout the period of the loan or authorize the person administering the Fund to take and insurance cover on the loan and the premium be debited on the loan account.

Period of operation of Regulations

14. These Regulations shall apply until such time as a substantive Act of the County Assembly is enacted or other Regulations are made for the County Assembly Service Board to administer the Fund.

Supplementary terms

15. These Regulations shall be supplemented by such terms and conditions as may, from time to time, be detailed in the application form supplied by the Executive Committee Member with the approval of the County Assembly.
FIRST SCHEDULE

LOAN APPLICATION FORM

TO: THE COUNTY EXECUTIVE COMMITTEE MEMBER, FINANCE,
NANDI COUNTY GOVERNMENT

I HON..........................................................A member of Nandi County Assembly
representing..............................................Ward(Elected/Nominated)Position held in
the Nandi County Assembly ..............................

ID NO..........................of P O Box..............Telephone..........E-mail..............

Next of Kin

Name ................................Address........................................................

Telephone No...........................................................

1. I hereby apply for a loan of Kshs. 2,000,000/= (Two million only) to purchase a
motor vehicle under the Nandi County Assembly car loan Scheme.

2. The loan shall attract interest of three (3%) per annum.

3. I undertake to pay the loan advanced to me together with interest in monthly
installment until payment in full.

4. I hereby declare that my current monthly salary is Kshs...........................

(...........................................................while my monthly responsibility
Kshs..........................)(...........................................................)

I am also entitled to a sitting allowance of Kshs...........................

(...........................................................Per sitting
up to a maximum of ........................................sitting per
month.

5. I undertake that the monthly installments shall be effected by way of monthly
deductions from my salary and/ or any other benefits including allowances and
gratuity and pension in case of default.

6. I hereby authorize you to offset any existing facility subject to my loan limit.

7. I hereby agree that the Nandi County Assembly may be at liberty to register
the motor vehicle in the joint names of the Nandi County Assembly and myself
until the is fully repaid.

8. I undertake to have the vehicle covered by a full comprehensive cover throughout
the period.

9. I agree that the Assembly may take a life insurance on the loan advanced and the
premium to be debited to my loan account.

10. I agree that in case of default, the Nandi County Assembly may be at liberty so sell
the motor vehicle to offset the outstanding loan.

Date....................................Signature of Applicant..........................
RECOMMENDATION BY THE CLERK COUNTY ASSEMBLY OF NANDI
1.1 certify that Hon. .................................................................is entitled for a motor vehicle loan of Kshs.................................................(..........................) if the salary is not committed in any other way.

2.1 certify that the Hon.................................................................is eligible for a loan of up to Kshs. 2,000,000/= (Two Million only) in respect of a car loan repayable in full within the next 36 months.

3.1 certify that payment of the monthly installments will not cause financial embarrassment (Subject to No. 1 above).

4. You are at liberty to recover the said loan by way of monthly installments upon disbursement.

5.1 recommend that Hon.................................................................‘s application be approved in full up to a limit of Kshs.................................................(..........................). Payable in .................................................(..........................) month subject to the member having no other loan to service.

6.1 recommend that the County Executive Committee Member Finance do determined the monthly deductions, the installments payable in recovery of the loan by a check off System.

Date.................................Signed....................................................

Clerk, Nandi County Assembly

PART III

APPROVAL BY COUNTY EXECUTIVE COMMITTEE MEMBER FINANCE

The County Executive Committee Member in-charge of finance has approved Hon.................................................................’s application of Kshs................................................................. in respect of the vehicle loan to be paid over................................................. months and a further sum of Kshs.................................................................

In respect of insurance premium to be repaid over 12 months for each year of the loan.

The loan shall be recovered by Kshs.................................................................

In monthly installments by way of deductions by check off system.

Date...........................................Signed...........................................

County Executive Finance Nandi County Government

PART IV

I Hon.................................................................accept the loan approved with the conditions set having read and understood the same.

Signed...........................................Date...........................................
TO: PARTICULARS OF APPLICANT

Hon......................................................... Member of the Nandi County
Assembly representing .................................................................

Ward ID No......................................................... E-mail .......................................

Next of kin ..................................................... Address ......................................

Telephone No ............................................................... Amount of loan required

Kshs ............................................................... (............................................................) repayable within 36 months

1. I hereby apply for a loan of Kshs 3,000,000/(Three Million ) to purchase property
under the Nandi County Assembly mortgage scheme

2. The loan shall attract interest of three percent per annum.

3. I undertake to pay the loan advanced to me together with the interest in monthly
installments until payment in full.

4. I hereby declare that my monthly current monthly salary is Kshs ...............
.................................................................................................................................
while my monthly responsibility allowance is
Kshs ......................................................... (.........................................................) I am also entitled to a
sitting allowance of Kshs ......................................................... (.........................................................) per sitting up to
a maximum of ......................................................... sitting per month.

5. I undertake that monthly installment shall be effected by way of monthly
deductions from my salary and/or any other benefits including allowances and
gratuity and pension in case of default.

6. I hereby authorize you to offset any existing facility subjected to my loan limit.

7. I hereby agree that Nandi County Assembly may be liberty to register the property
in the joint name of the Nandi County Assembly and my Self until the loan is fully
repaid.

8. I agree that the Assembly may take a life insurance on the loan advanced and the
premium to be debited to my loan account.

9. I agree that incase of default, the Nandi County Assembly may be at liberty to sell
the property to offset the outstanding loan.

Date ..............................................Signature of Applicant ........................................

RECOMMENDATION BY THE CLERK COUNTY ASSEMBLY OF NANDI

1. I certify that Hon.........................................................is
eligible for a mortgage of
Kshs ......................................................... (.........................................................)if the salary is not
committed in any other way.
2. I certify that the Hon.................................................. is eligible for a mortgage of up to Kshs. 3,000,000/= (three million only) repayable in full within the next 36 months.

3. I certify that payment of the monthly installments will not cause financial embarrassment (subjected to No.1 above)

4. You are at liberty to recover the said loan by way of monthly installment upon disbursement.

5. I recommend that Hon..................................................’s application be approved in full up to a limit of Kshs.............................. payable in..............................months subjected to the member having no other loan to service.

6. I recommend that the County Executive Committee Member Finance do determine the monthly deduction, the installment payable in recovery of the loan by a check of system.

Date ........................................... Signed ...........................................

CLERK NANDI COUNTY ASSEMBLY

PART III
APPROVAL BY COUNTY EXECUTIVE FINANCE

The County Executive Committee Member in charge of Finance has approved Hon..................................................’s application of Kshs.............................. in respect of the vehicle loan to be repaid over ...................................... months and a further sum of Kshs.............................. in respect of insurance premium to be repaid over 12 months for each year of the loan.

The loan shall be recovered by Kshs.............................. in monthly installment by way of deduction by the Check Off system.

Date ........................................... Signed ...........................................

COUNTY EXECUTIVE FINANCE NANDI COUNTY GOVERNMENT

PART IV

I Hon.................................................. accept the loan approved with the conditions set having read and understood the same.

Signed ........................................... Date ...........................................

Made on the 10th December, 2015

CHARLES K. MUGE,
County Executive Committee Member, Finance.