SPECIAL ISSUE

Kenya Gazette Supplement No. 8 *5th September, 2018*

(Tana River County Legislative Supplement No. 1)

LEGAL NOTICE NO. 1

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

COUNTY ASSEMBLY OF TANA RIVER CAR LOAN (MEMBERS) SCHEME FUND

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:—

THE PUBLIC FINANCE MANAGEMENT (COUNTY ASSEMBLY OF TANA RIVER CAR LOAN (MEMBERS) SCHEME FUND) REGULATIONS, 2018

1. These Regulations may be cited as the Public Finance (County Assembly of Tana River Car Loan (Members) Scheme Fund) Regulations, 2018. Citation.

2. In these regulation— Interpretation.

"A member of the County Assembly" is a member of County Assembly of Tana River;

"Board" means the County Assembly Service Board;

"borrower" means a person in receipt of a loan out of the Fund;

"Committee "means the Loans Management Committee established under regulation 6";

"financial year" means the period of twelve months ending on 30th June in each year;

"Fund" means the County Assembly Car Loan (Members) Scheme Fund established under regulation 3;

"Loan Agreement" means an agreement between the Fund and a member of the Scheme;

"Member of the Scheme" means a Member of County Assembly of Tana River and includes a member of staff of the County Assembly of Tana River Service;

"officer administering the Fund" means the Clerk of the County Assembly;

"staff" means an employee of the County Assembly Service Board;

"valuer" means a person registered as a valuer under the Valuers Act (Cap. 532).

Establishment of the fund.

3. There is established a fund to be known as the County Assembly of Tana River Car Loan (Members) Scheme Fund.

Objects and Purpose of the Fund.

4. The object and purpose of the Fund is to provide a loan scheme for the purchase of vehicles by members of the scheme.

Capital of the Fund.

5. (1) The initial capital of the Fund shall consist of the monies standing to the credit of the account on the date of the coming into operation of these regulations.

(2) County Assembly of Tana River may appropriate additional monies to the fund.

The Loans Management Committee.

6. (1) There is established a committee to be known as the members car loan management committee, which shall consist of—

(a) The vice-chairperson of the Board who shall be the chairperson;

(b) The leader of majority party;

(c) The leader of minority party;

(d) The chairperson of the Members' Welfare Committee of the County Assembly;

(e) Majority whip of the County Assembly;

(f) Minority whip of the County Assembly;

(g) County Executive Committee Member for finance or his/her representative.

(2) The officer administering the Fund shall be an *ex-officio* member of the Committee and the secretary to the Committee.

(3) The Committee may appoint such other staff to attend its meetings.

(4) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson; the vice-chairperson or a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of the committee's functions.

(5) The quorum for a meeting of the Committee shall be the chairperson and any three members.

(6) The Committee shall consider and may approve the loan application presented by the officer administering the fund.

Application for loan.

7. (1) A member of the Scheme who wishes to apply for a loan from the Fund shall make such application to the officer administering the Fund by presenting an application form as prescribed in the first schedule.

(2) The officer administering the fund shall satisfy himself of the applicant's financial status and capacity to repay the loan applied for in accordance with the laid down requirements and where so satisfied shall forward the application to the Committee for consideration.

(3) If the committee approves the application, the applicant shall enter into a loan agreement in such form as the committee may prescribe.

8. A loan obtained under these Regulations shall be utilized for the purchase of a motor vehicle for personal or official use by the applicant. Utilization of monies.

9. (1) A loan approved under regulation 7 shall be released from the Fund in such manner, taking into account the security of the funds, as may be prescribed by the Committee and the requirements as prescribed in the second schedule. Conditions for disbursement of funds.

(2) The log-book of a vehicle subject to a loan from the fund shall be issued jointly between the Board and the member of the scheme and shall be kept in the custody of the officer administering the fund until the loan is repaid in full by the members of the scheme.

10. (1) The loan amount that a member of the Scheme may receive shall be the value of the vehicle that the member of the Scheme proposes to purchase subject to the maximum amount of two million shillings in the case of a member of the county assembly and the amount prescribed in the third schedule in the case of a member of staff. Loan amount.

(2) For the purpose of these Regulations, the value of a new vehicle shall be as quoted on the invoice from the supplier whereas the value of a used vehicle shall be as determined by a report from the body known as the Automobile Association of Kenya, or the Government department dealing with such matters or any such valuer as may be approved by the Board.

(3) Notwithstanding the provisions of paragraph (1), there may be advanced from the Fund to a member of the scheme an additional loan not exceeding ten per cent of the value of the vehicle purchased by the member of the Scheme to cater for an overhaul of the engine of the vehicle.

11. (1) A loan granted to a member of the Scheme under these Regulations shall carry an interest rate of three percent per annum. Interest rate.

(2) The interest charged under paragraph (1) shall be utilized to defray the administrative expenses of the Fund and any other surplus thereby shall be credited into the account of the Fund.

(3) Any administrative expenses shall be approved by the Committee in such terms as the committee may approve.

12. A loan advanced under these regulations shall be repaid in full— Repayment of loan.

(a) In the case of a member of the County Assembly, for a maximum period of forty eight months irrespective of whether the vehicle purchased is new or used:

Provided that the repayment period of the loan shall not exceed the last month of the end of the term of the member of the scheme where the member is a member of the County Assembly.

(b) in the case of a member of staff, for a maximum period of one hundred and twenty months irrespective of whether the vehicle purchased is new or used.

Provided that the repayment period of the loan shall not exceed the last month of the retirement period or contract period of the member of staff.

13. (1) A member of the scheme shall comprehensively insure any vehicle purchased through the scheme with an approved insurer by the Board. Insurance.

(2) Where a member of the Scheme is unable to raise the funds required for the initial insurance premium, such funds may be advanced from the Fund subject to an approved limit, but subsequently annual premiums shall be paid by the member of the Scheme.

(3) A member of the Scheme who is unable to pay the subsequent annual premiums referred in paragraph (2) may apply to the Fund for a loan which shall be repaid within a period of one (1) year.

(4) Every loan granted under these regulations shall be insured for the benefit of the member of the scheme and the premium in respect thereof shall be debited to the account of the member of the Fund.

14. (1) Upon full payment of the loan, a signed loan discharge certificate and a duly signed transfer form in such forms as may be prescribed by the committee shall be issued to the member of the Scheme and a copy thereof shall be forwarded to the Registrar of Motor Vehicles. Loan discharge.

(2) The loan discharge certificates shall release the member of the Scheme from any further financial obligation in respect of the loan and shall act as sufficient authority to remove the caveat on the vehicle pursuant to regulation 9.

15. (1) Where a member of the scheme defaults in the repayment of loan for a period of three consecutive months, the administrator of the Fund shall repossess and sale the motor vehicle by public auction or private treaty. Default in repayment

(2) Where a member of the scheme ceases to be a county staff before full loan repayment, the administrator of the fund shall allow the member of the scheme to continue repaying the loan on the same terms as set out in these Regulations provided that when the member of the scheme defaults for a consecutive period of four months, the outstanding loan shall revert to prevailing commercial interest rate.

(3) Notwithstanding these Regulations, where a member of the scheme leaves service on disciplinary grounds or resigns before serving for the contract period, the Committee may grant the member of the scheme a maximum period of four months to repay the full outstanding loan or permit the member of the scheme to repay the outstanding loan at the prevailing market rate and on such other terms and conditions as the Committee may from time to time prescribe.

(4) Where the commercial rate is applicable, and the borrower is in default for a period of four months, the administrator of the Fund may call in the loan and sell the car by public auction or private treaty.

Administration of the fund.

16. (1) The officer administering the Fund shall—

(a) supervise and control the administration of the Fund;

(b) utilize the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use;

(c) cause to be kept books of accounts and other books and records in relation to the Fund and for all loans financed from the Fund;

(d) prepare, sign and transmit to the Auditor-General in respect of each financial year and within three (3) months after the end thereof, a statement of accounts relating to the Fund, prepared and signed by him specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Board may from time to time direct in accordance with the Public Finance Management Act;

(e) furnish such additional information as may be required for the purpose of examination and audit by the Auditor-General;

(f) designate and appoint such staff as may be necessary to assist him in the administration of the Fund and may require such staff to carry out such inspections as may be necessary t verify any information submitted under these Regulations.

(2) Every statement of account prepared under this regulation shall include details of the balances between the assets and liabilities of the Fund and shall indicate the financial status of the Fund as at the end of the financial year concerned.

(3) All monies of the Fund shall be paid into an account operated by the officer administering the Fund.

(4) Any account operated by the Fund for the purpose of loan disbursement shall be approved by the Committee.

Administration of the fund by other institution.

17. The Board may, if it considers it appropriate to do so, appoint a financial institution to administer the Fund on behalf of the Committee.

Buy off of loan

18. A member of the scheme whose application has been approved and who has a bank loan or another loan from any financial institution may upon application have his loan bought off from the fund in such terms as the officer administering the fund may determine.

Repeal

19. This Regulation repeals the Public Finance (County Assembly of Tana River Car Loan (Members) Scheme Fund) Regulations, 2014.

SCHEDULES

FIRST SCHEDULE

LOAN APPLICATION FORM

(regulation 7)

THE COUNTY ASSEMBLY OF TANA RIVER

APPLICATION FORM FOR COUNTY ASSEMBLY OF TANA RIVER MEMBERS CAR LOAN

PART 1

TO: OFFICER ADMINISTERING CAR LOAN FUND

A. PERSONAL DETAILS

1. Name..

2. ID No..

3. PIN No ....

4. Personal No...

5. Date of birth ....

6. Address...

7. Physical Address...

8. Mobile No ....

B. NEXT OF KIN PERSONAL DETAILS

Name ....

ID No. ....

PIN No. ....

Date of birth ....

Address ....

Physical Address ....

Mobile No. ....

Relationship ....

C. MOTOR VEHICLE DESCRIPTION

Make.................................... Model...........................

Type of Body..................................

Engine No............................ Chassis No............ Registration.........

Year of Manufacture.............................. New or Second Hand .... (if the vehicle is second hand- report by a registered valuer should be attached).

D. PRICING

Particulars of accessories and value if included in the cost price of vehicle:-

Cost price of vehicle KSh..

……………………………………….

Tracking/Alarm System Cost KSh.. ……………………………

Cost price of Vehicle KSh.. …………………………

Add Insurance Premium (If to be Paid by the Fund) KSh.. ………………………………

Total Loan Amount applied for KSh..

…………………………………….

Name of Insurance Company ……………………………………………………

Name of Supplier ……………………………………………………………

Address of Supplier …………………………………………………………

(In the event of supplier not being a recognized Motor Vehicle Dealer, vendor must produce proof that he is the owner of the Motor Vehicle and a Valuation Report. This should be original Log Book, Sales Agreement or other such evidence of ownership as may satisfy the Fund).

Approximate date of delivery ……………………………………………………

ACKNOWLEDGEMENT

1. I undertake to have the car registered in the name of County Assembly of Tana River and myself.

2. I undertake to register a charge in favour of County Assembly of Tana River entitling County Assembly of Tana River to sell the Motor Vehicle in the event of breach of the terms and condition of the Loan Agreement.

3. I wish to pay the amount due under that Purchase Agreement by Monthly Instalments recoverable from my salary and any other allowances of KSh.. ……………………………

4. I agree to cover the vehicle comprehensively and provide prove of the same immediately.

5. In the event of my leaving the office before clearing the Loan. I agree to have the outstanding Loan amount be recovered from my Gratuity and other accrued Benefits.

Date……………………………

Signature ……………………………

PART II

RECOMMENDATION BY THE OFFICER ADMINISTERING THE FUND

1. I certify that Hon./Staff ………………………………………is eligible for a motor Vehicle Loan and has a current net salary of KSh.. ………. …
2. I certify that payment of the monthly instalments will not cause financial embarrassment, and
3. I recommend that Hon./Staff ………………………………………application be approved in full subject to his/her ability to service the loan.

A limit of KSh.. ………………………………………payable in ………………months.

Date ……………………………… *Signature* ………………………………

Officer Administering The Fund

PART III

APPROVAL BY LOANS MANAGEMENT COMMITTEE

TO: TANA RIVER COUNTY ASSEMBLY MEMBERS CAR LOAN FUND

The Loan Management Committee in their meeting of (date) ……………………………via Minute No…………………………..approved Hon./Staff ……………………………….'s Application of KSh.. …………………………………………………………………… in respect of the Vehicle Loan to be repaid over a period of 12 months for each year of the loan.

DATE …………………………Signature ……………………………….

Chairperson of Loans Management Committee

VIII. FINANCIAL APPRAISAL

1. A third of Net salary/House Allowance KSh.. ………………..per month

2. Monthly Deductions including interest and cost of mortgage insurance KSh………………

3. I certify that after the monthly instalments there will remain a net salary of KSh……………………… which is more/less than one third of total earnings.

I recommend Mr./Hon./Mrs./Miss… ………………………………………..proposal be/is not approved..……………………………………………

Date ………………….. Signed ……………………………………

Payroll manager

SECOND SCHEDULE (Regulation 9)

CAR LOAN REQUIREMENTS

(i) Pay slips for the last 3 months.

(ii) Copy of National Identification card or valid passport.

(iii) Profoma Invoice from Sales agent or a log book in case of second hand motor vehicle.

(iv) Insurance form (insurance company to fill).

(v) Valuation report by a registered motor vehicle valuer.

(vi) Irrevocable letter of authority.

(vii) Tracking/alarm installation certificate(within weeks after purchase.

(viii) Must have a valuation report from the Automobile Association of Kenya.

(ix) Age limit shall be a maximum of eight years.

THIRD SCHEDULE

LOAN AMOUNTT FOR STAFF (Regulation 10)

BENEFICIARY	MAXIMUM CAR LOAN AMOUNT
Civil Service Grades S,T,U or equivalent grades in Public Service	Up to KSh. 4 Million
Civil Service Grades P,Q,R, N or equivalent grades in Public Service	Up to KSh.. 3 Million
Civil Service Grades K,L,M or Equivalent grades in Public Service	Up to KSh. 1.5 Million
Civil Service Grades G,H,J or Equivalent in Public Service	Up to KSh. 800,000
Civil Service Grades A,B,C,D,E,F or Equivalent grades in Public Service	Up to KSh. 600,000

LEGAL NOTICE NO. 2

THE PUBLIC FINANCE MANAGEMENT ACT

(*No.* 18 *of* 2012)

COUNTY ASSEMBLY OF TANA RIVER MORTGAGE (MEMBERS) SCHEME FUND REGULATIONS, 2018

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:—

THE PUBLIC FINANCE MANAGEMENT (COUNTY ASSEMBLY OF TANA RIVER MORTGAGE (MEMBERS) SCHEME FUND) REGULATIONS, 2018

PART I— PRELIMINARY

1. These Regulations may be cited as the Public Finance (County Assembly of Tana River Mortgage (Members) Scheme Fund) Regulations, 2018. Citation.

2. In these regulations— Interpretation.

"A member of the County Assembly" means an elected or nominated member of the County Assembly of Tana River;

"Board" means the County Assembly Service Board;

"borrower" means a person in receipt of a loan out of the Fund;

"Committee "means the Loans Management Committee established under regulation 6";

"financial year" means the period of twelve months ending on 30th June in each year;

"Fund" means the County Assembly of Tana River Mortgage (Members) Scheme Fund established under Regulation 3;

"Member of the Scheme" means a Member of County Assembly of Tana River and includes a member of staff of the County Assembly of Tana River Service;

"officer administering the Fund" means the Clerk of the County Assembly;

"property" means a residential house purchased through a loan from the Fund and includes the land purchased under loan from the Fund on which such house is to be developed;

"staff" means an employee of the County Assembly Service Board;

"valuer" means a person registered as a valuer under the Valuers Act (Cap. 532).

SECOND SCHEDULE (Regulation 9)

CAR LOAN REQUIREMENTS

(i) Pay slips for the last 3 months.

(ii) Copy of National Identification card or valid passport.

(iii) Profoma Invoice from Sales agent or a log book in case of second hand motor vehicle.

(iv) Insurance form (insurance company to fill).

(v) Valuation report by a registered motor vehicle valuer.

(vi) Irrevocable letter of authority.

(vii) Tracking/alarm installation certificate(within weeks after purchase.

(viii) Must have a valuation report from the Automobile Association of Kenya.

(ix) Age limit shall be a maximum of eight years.

THIRD SCHEDULE

LOAN AMOUNTT FOR STAFF (Regulation 10)

BENEFICIARY	MAXIMUM CAR LOAN AMOUNT
Civil Service Grades S,T,U or equivalent grades in Public Service	Up to KSh. 4 Million
Civil Service Grades P,Q,R, N or equivalent grades in Public Service	Up to KSh.. 3 Million
Civil Service Grades K,L,M or Equivalent grades in Public Service	Up to KSh. 1.5 Million
Civil Service Grades G,H,J or Equivalent in Public Service	Up to KSh. 800,000
Civil Service Grades A,B,C,D,E,F or Equivalent grades in Public Service	Up to KSh. 600,000

LEGAL NOTICE NO. 2

THE PUBLIC FINANCE MANAGEMENT ACT

(*No.* 18 *of* 2012)

COUNTY ASSEMBLY OF TANA RIVER MORTGAGE (MEMBERS) SCHEME FUND REGULATIONS, 2018

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:—

THE PUBLIC FINANCE MANAGEMENT (COUNTY ASSEMBLY OF TANA RIVER MORTGAGE (MEMBERS) SCHEME FUND) REGULATIONS, 2018

PART I— PRELIMINARY

1. These Regulations may be cited as the Public Finance (County Assembly of Tana River Mortgage (Members) Scheme Fund) Regulations, 2018. Citation.

2. In these regulations— Interpretation.

"A member of the County Assembly" means an elected or nominated member of the County Assembly of Tana River;

"Board" means the County Assembly Service Board;

"borrower" means a person in receipt of a loan out of the Fund;

"Committee "means the Loans Management Committee established under regulation 6";

"financial year" means the period of twelve months ending on 30th June in each year;

"Fund" means the County Assembly of Tana River Mortgage (Members) Scheme Fund established under Regulation 3;

"Member of the Scheme" means a Member of County Assembly of Tana River and includes a member of staff of the County Assembly of Tana River Service;

"officer administering the Fund" means the Clerk of the County Assembly;

"property" means a residential house purchased through a loan from the Fund and includes the land purchased under loan from the Fund on which such house is to be developed;

"staff" means an employee of the County Assembly Service Board;

"valuer" means a person registered as a valuer under the Valuers Act (Cap. 532).

3. There is established a Fund to be known as the County Assembly of Tana River Mortgage (Members) Scheme Fund. Establishment of the fund.

4. The object and purpose of the Fund shall be to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the Scheme. Objects and Purpose of the Fund.

5. (1) The initial capital of the Fund shall consist of the monies standing to the credit of the account on the date of the coming into operation of these Regulations. Capital of the Fund.

(2) County Assembly of Tana River may appropriate additional monies to the Fund.

6. (1) There is established a committee to be known as the Members Mortgage Loans Management Committee, which shall consist of— The Loans Management Committee.

(a) the vice-chairperson of the Board who shall be the chairperson;

(b) the leader of majority party;

(c) the leader of minority party;

(d) the chairperson of the Members' Welfare Committee of the County Assembly;

(e) majority whip of the County Assembly;

(f) minority whip of the County Assembly; and

(g) County Executive Committee Member for finance or his/her representative.

(2) The officer administering the Fund shall be an *ex-officio* member of the Committee and the secretary to the committee.

(3) The Committee may appoint such other staff to attend its meetings.

(4) The Committee shall—

(a) process applications for loans in accordance with the existing terms and conditions of borrowing;

(b) liaise with the mortgage company (if any) to set up a revolving fund for the disbursement of the loans; and

(c) supervise the day-to-day running of the Fund.

(5) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, the vice-chairperson or a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of the Committee's functions.

(6) The quorum for a meeting of the Committee shall be the chairperson and any three members.

7. Notwithstanding regulation 6(4) the Board may, if it considerers it appropriate to do so, appoint a mortgage institution to administer the Fund on behalf of the Committee.

Board may appoint mortgage institution.

8. A member of the Scheme who wishes to apply for a loan from the Fund shall make such application to the officer administering the Fund in such manner and form as prescribed in the First Schedule.

Application for loan.

9. (1) A loan obtained under these Regulations shall be utilized for the purchase, development, renovation or repair of residential property for the occupation of the applicant and his or her immediate family.

Utilization of monies.

(2) A loan for the development of residential property may be granted at the discretion of the Committee—

(a) to a member of the Scheme who is in possession of a title deed to the land on which the development is intended to be carried out; or

(b) in two instalments, for the purchase of the land at which the residential property is to be developed and for the subsequent development of the property.

(3) The amount of the first instalment granted for the purchase of the land under paragraph (b) shall not exceed forty per cent of the maximum loan amount for which the member of the Scheme is eligible.

10. A loan granted for development of a residential property under these Regulations shall be released to the applicant in the following phases—

Disbursements of loan for development.

(a) the first disbursement based on the value of the land on which the residential property is proposed to be developed; and

(b) the subsequent disbursements based on the rate of completion of the various phases of development as certified by a qualified valuer at the cost of the applicant.

11. (1) An application for a loan under these Regulations shall be accompanied by the following documents where appropriate—

Requirements for application for loan.

(a) copies of the designs of the proposed residential property duly approved by the local authority within whose area is to be situated;

(b) bills of quantities in respect of the proposed development, renovation or repair;

(c) an official search of the title of the property intended to be purchased;

(d) a certified copy of the sale agreement relating to the property.

(2)The applicant shall bear the cost of stamp duty and other legal fees.

(3) Where a borrower fails to comply with the requirements of

paragraph (2) within the stipulated time, the officer administering the fund shall, upon giving the borrower fourteen days' notice, deduct the amount due from the salary of that borrower in such instalments as may be appropriate and remit such deductions to meet such costs as may be due.

(4) All legal transactions in respect to the property being purchased shall be conducted by an advocate appointed by the board.

12. Where the property intended to be purchased through a loan from the Fund is leasehold property, such loan shall be granted where the expiry date of such lease is at least forty-five years beyond the final loan repayment date. Leasehold Property.

13. (1) The maximum loan to be granted under these Regulations shall not exceed the sum of three million shillings in the case of a member of the county assembly and in the case of a member of staff, it shall be as prescribed in the Third Schedule. Maximum loan disbursement.

(2) A Member of the Scheme shall be required to give prior authority in writing for pension dues to be utilized to clear any outstanding debt in case the member losses the assembly seat before fully repaying the loan.

(3) The maximum loan entitlement for a member of staff of the board shall be defined and set by the board and shall be guided by the job group scales.

(4) For a member of staff to qualify for a loan, such member shall be required to be—

(a) confirmed in appointment and to have served for a period determined by the board; or

(b) on contract with the board with the relevant documentation dully completed.

(5) A loan granted to a borrower under these Regulations shall be funded at the rate of one hundred per centum of the value of the property.

(6) Subject to this Regulation, a member of the scheme shall be eligible for the maximum amount of loan specified under sub-regulation (1) in each assembly term to be accessed by the member in a maximum of two disbursements in that term.

14. A loan advanced under these Regulations shall be repaid in full— Repayment of loan.

(a) in the case of a member of the county assembly, for a maximum period of forty eight months:

Provided that the repayment period of the loan shall not exceed the last month of the end of the term of the member of the scheme where the member is a member of the County Assembly.

(b) in the case of a member of staff, for a maximum period of one hundred and twenty months.

15. (1) The interest chargeable on a loan shall be three per centum per annum on a monthly reducing balance and this rate may be reduced from time to time as may be prescribed. The interest accruing herein shall be credited to the capital fund. Interest chargeable.

(2) A mortgage institution appointed under regulation 7 to administer the fund may charge an interest of not more than four per centum to cover management costs.

(3) The interest charged under paragraphs (1) and (2) of this regulation shall be met by the borrower.

16. (1) The Board shall have a charge registered on the property financed through a loan granted under these Regulations and shall be entitled to have its name entered in all documents of title for such property. Lien

(2) The borrower shall—

(a) not mortgage, charge, surrender the lease or sell or agree to sell or part with possession of the charged property or any part thereof without the prior written consent of the Board;

(b) meet and pay all rates, rents , insurances and any other outgoings in respect of the property and send the proof of such payments to the Board; and

(c) provide a transfer deed duly signed by the borrower and a letter authorizing the Board to sell the property in case of default in payment.

(3) All residential properties purchased through the Fund shall be constructed of such material as may be approved by the Board.

(4) During the loan repayment period, every borrower shall—

(a) ensure that the property is used for residential purposes only;

(b) maintain the property in a satisfactory state of repair; and

(c) not alter or make any structural alteration to the property, carry out any valuation , assessment or investigation relating to the property or title thereto, as the case may be, without the approval of the Board.

(5) No borrower shall be eligible for more than one loan at a time or more than a total of two loans from the Fund.

(6) All legal documentation and disbursement of funds shall be supervised by the officer administering the fund.

17. (1) A borrower shall take out and maintain a mortgage protection policy and a fire policy with an insurance firm approved by the Board, the cost of which shall be paid out of the Fund and debited in such borrower's account. Mortgage Insurance.

(2) The originals of all documents relating to property financed by a loan from the Fund shall be kept in safe custody by the officer administering the Fund.

Default in repayment.

18. The Board may call in a loan and in default sell the charged property by public auction or private treaty where the borrower is in breach of the terms under the loan agreement or the covenant contained in the charge of the mortgage instrument.

Administration of the fund.

19. (1) The officer administering the fund shall—

(a) supervise and control the administration of the Fund;

(b) utilize the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use;

(c) cause to be kept books of accounts and other books and records in relation to the Fund and for all loans financed from the Fund;

(d) prepare, sign and transmit to the Auditor-General in respect of each financial year and within three (3) months after the end thereof, a statement of accounts relating to the Fund, prepared and signed by him specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Board may from time to time direct in accordance with the Public Finance Management Act;

(e) furnish such additional information as may be required for the purpose of examination and audit by the Auditor-General; and

(f) designate and appoint such staff as may be necessary to assist him in the administration of the Fund and may require such staff to carry out such inspections as may be necessary to verify any information submitted under these Regulations.

(1) Every statement of account prepared under this Regulation shall include details of the balances between the assets and liabilities of the Fund and shall indicate the financial status of the Fund as at the end of the financial year concerned.

Responsibilities of mortgage institution.

20. The responsibilities of the mortgage institution, if any, appointed under these Regulations shall be –

(a) to operate individual accounts for each borrower, which shall provide details of recoveries of the loan;

(b) to charge security on properties acquired through loans from the Fund to protect the interests of the Fund and act as custodian of such charges;

(c) to disburse cheques for newly approved loans to various vendors, after the necessary documentation is completed by the Committee;

(d) to pay outgoings and issue demand notices where necessary to members through the officer administering the fund ;

(e) upon repayment of the loan, interest and other expenses which may be outstanding, to discharge the charge and release the security documents to the borrower; and

(f) upon default, to call in the loan and on behalf of the Board sell the charged property by public auction or private treaty, in which event the fund shall meet any shortfall between the loan outstanding and the proceeds of the sale.

21. (1) These regulations shall be supplemented by such terms as may from time to time be detailed in application form supplied by the Board and in the contract between the mortgage institution and the Board. Board guidelines.

(2) Subject to these Regulations, the Board shall issue guidelines on—

(a) The purchase and development of land and residential properties under these regulations;

(b) The utilization of surplus Funds for purchase and development of land and development of land and residential property under these Regulations; and

(c) Such other matters as may be necessary for the proper management and administration of the Fund.

22. A member of the scheme whose application has been approved and who has a bank loan or a loan from any other financial institution may upon application have his or her loan bought off from the fund in such terms as the officer administering the fund may determine. Buy off

23. This Regulation repeals the Public Finance (County Assembly of Tana River Mortgage (Members) Scheme Fund) Regulations, 2014. Repeal

SCHEDULES

FIRST SCHEDULE

LOAN APPLICATION FORM

(regulation 8)

THE COUNTY ASSEMBLY OF TANA RIVER

APPLICATION FORM FOR TANA RIVER COUNTY ASSEMBLY MORTGAGE

I. PARTICULARS OF APPLICANT

Name in full ....

Age..

Date of Birth ....

Address ....

I .D No... ....

Personal No..

Loan Amount requested Duration of loan ....

II. Next of Kin..

Name in Full... ... ...ID No. ....

PIN No. Address ....

Physical Address..

Mobile No. ....

Relationship ....

III. EMPLOYMENT DETAILS

a) Position... ... ...years of service... ... ... terms of service

... ...

No. of years remaining in

service... ... ...

b) Current Net Salary/House Allowance received (attach recent pay slip)

... ...

c) I confirm that the information above is as per records in our file

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

Payroll Manager

IV. PARTICULARS OF PROPERTY IF APPLICATION IS FOR RENOVATION OR REPAIR OF EXISTING BUILDING

1. Address of property to be mortgaged

L.R………………….. Street/Road……………............... estate……………………

Description of property e.g. Land or existing building……………………………...........

1. 2. Is property Freehold or Leasehold? …………………………………………………

2. If Leased state length or unexpired term………………………………………………

V. IF THE APPLICATION IS FOR PURCHASE OF EXISTING BUILDING

1. Bungalow, Masionate or Flat with Main Rooms…………

Bedrooms……………........... Bathrooms………

WCS…………Kitchen/s……………….. Servant quarters…………...........

Garage………………... Purchase

Price……………………………………………………..................

2. Vendors name and

Address………………………………………………………..................

Is this property now mortgaged? …………………………if so please attaché a letter of consent from the issuing company.

VI. IF THE APPLICATION IS FOR PURCHASE OF A PLOT AND CONSTRUCTION OF A RESIDENTIAL UNIT.

3. Purchase price of Land KSh………………….. Estimate cost of building KSh……………………………

4. Name and Address of Architect……………………………………………………….......

5. Name and Address of Contractor……………………………………………………...........

6. Has the building work commenced ………………….if so, Date of Completion……………………………...

VII. IF THE APPLICATION IS FOR CONSTRUCTION OF A RESIDENTIAL UNIT

1. Contractor's name …………………………………………………………………..............

2. Name of Structural Engineer…………………………………………………...................

3. Name of quality Engineer……………………………………………………………...........

4. Name of Architect ……………………………………………………………….................

We confirm that the information in the documents and supplementary documentation is true, Correct and accurate.

Date……………………………Applicant Signature………………………………

VIII. FINANCIAL APPRAISAL

1. A third of Net salary/House Allowance KSh. Per month...

2. Monthly Deductions including interest and cost of mortgage insurance KSh.........

3. I certify that after the monthly instalments there will remain a net salary of KSh.............................. which is more/less than one third of total earnings.

I recommend Mr./Hon./Mrs./Miss...proposal be/is not approved...

Date .... Signed ....

Payroll manager

IX. APPROVED BY LOANS MANAGEMENT COMMITTEE

Hon/Mr./Mrs./Miss. ....'s proposal as to the amount of KSh...................................to be paid.................months.................

Date...

Chairperson of the loans management committee

X. FUND ADMINISTRATOR

Date document Received...

Date of search...

Date charge registered ....Charge Reference No. ....

Loan agreement signed and registered on..

Is Transfer deed signed by borrower and letter authorizing sale in case of Default.............................

Receipt for Deposit, Stamp Duty and Legal Fees

No..

CONFIDENTIAL REPORT:

....

....

....

Date:...

Sign...

APPROVAL BY FUND ADMINISTRATOR

XI. ACCOUNTS TRANSACTIONS

Date documents received from Fund Administrator...

Cheque No...........................Amount.............................Date ....

Cheque collected by……………………………………………………………………

ID/No……………………………………

Sign………………………………………………………

Date……………………………………

Sign………………………………………………………

Fund Accounts Section

SECOND SCHEDULE

MORTGAGE REQUIREMENTS

A. DIRECT PURCHASE

(i) Copy of the title

(ii) Sale agreement/purchase agreement duly signed and stamped

(iii) Valuation report (please attach copy of company registration)

(iv) Original certificate of official search

(v) Pay slips for the last 3 months

(vi) Loan application form

(vii) National identity card copy

(viii) Pin certificate copy

(ix) 3 passport size photographs

(x) Transfer duly signed

B. TRANSFER OF EXISTING MORTGAGE

(i) Confirmation letter of outstanding Loan Balance (From the Bank)

(ii) Copy of charge Document

(iii) Pay slips for the last 3 months

(iv) Current valuation of mortgaged property

(v) Current certificate of official search

C. HOUSE CONSTRUCTION

(i) Original title in applicant's name and official search certificate

(ii) Architectural designs (please attach copy of company registration)

(iii) Bill of quantities (please attach copy of company registration)

(iv) Value of the land –valuation report

(v) Pay slips for the last 3 months

(vi) 40% of loan to purchase land, balance of 60% to develop/construct

(vii) Approved structural drawings drawn by a registered structural engineer

(viii) Copies of current practicing licences for the professionals

NB.

1. *Payments for construction maybe channelled through the contractor, self or appointed payee*
   - *Funding and released of subsequent instalments are subject to site visits and confirmation of work progress report as certified by quantity surveyor/architect/contractor*
   - *Funding of additional loan ("top-up") is subject to site visit to confirm where development is to be done.*
   - *Final valuation report to be availed upon completion within 30 days.*
2. *Drawings must be approved by relevant authorities in respective councils*
3. *Annual confirmation of rent and rates payment to be submitted for filing where these are applicable*

THIRD SCHEDULE

LOAN AMOUNT FOR MEMBERS OF STAFF (Regulation 13)

BENEFICIARY	MAXIMUM AMOUNT
Civil Service Grades S,T,U or equivalent grades in Public Service	Up to KSh.. 20 Million
Civil Service Grades P,Q,R, N or equivalent grades in Public Service	Up to KSh. 15 Million
Civil Service Grades K,L,M or Equivalent grades in Public Service	Up to KSh. 10 Million
Civil Service Grades G,H,J or Equivalent in Public Service	Up to KSh. 6 Million
Civil Service Grades A,B,C,D,E,F or Equivalent grades in Public Service	Up to KSh. 4 Million

MATHEW BABWOYA BUYA,
County Executive Committee Member for Finance and Economic planning

PRINTED AND PUBLISHED BY THE GOVERNMENT PRINTER, NAIROBI