ECLOF KENYA
Your Dignity is our Mission

GENERAL LOAN TERMS AND CONDITIONS

1. INTRODUCTION

These General Loan Terms & Conditions ("General Terms") explain the general terms under which ECLOF Kenya Limited ("ECLOF", "we", "us" or "our") provides credit facilities, whether through our branches, field officers or digital channels, to its customers.

These General Terms are published on the ECLOF Kenya website to provide customers and prospective customers with clear information about our general lending practices, customer rights and responsibilities, and the standards we apply when providing credit.

They should be read together with the specific Loan Offer, Product Terms & Conditions and Repayment Schedule, the Key Information Document for your loan product and your Loan Agreement provided to you when you apply for and are offered a loan.

Where there is a difference between these General Terms and the specific terms of your Loan Offer, the specific terms applicable to your loan will apply, subject to applicable law and regulation. However, no specific term will take away or reduce any right or protection that you have under the Consumer Protection Act (Cap. 501), the Central Bank of Kenya (Non-Deposit Taking Credit Providers) Regulations, or any other law.

2. APPLYING FOR A LOAN

You may apply for an ECLOF loan through the channels and processes made available by ECLOF from time to time.

Applying for a loan does not guarantee approval. We will assess your application using our approved credit assessment processes and applicable eligibility requirements.

We may consider information such as your ability to repay, credit history, income or business activity, existing financial obligations, the purpose of the loan and other information reasonably required to make a responsible lending decision. We will only collect the information we need to assess, approve, disburse and collect your loan.

We may request additional information or supporting documents where reasonably necessary to assess your application.

You must tell us about your existing loans and other debts, and you must not give us false or misleading information or use a false name or falsified documents.

If your application is declined, we will tell you immediately and give you the reasons for the decision.

We will not charge you a registration fee or membership fee to apply for or obtain a loan. We will not require you to make savings with us, or to deposit cash with us as security, as a condition for a loan, and we will not require you to do any of these things with a company associated with ECLOF before you can get a loan.

3. RESPONSIBLE LENDING

ECLOF is committed to responsible lending and fair treatment of customers.

Before providing credit, we will assess the customer's circumstances and ability to repay in accordance with our approved credit assessment processes and applicable regulatory requirements. We will not enter into a reckless credit agreement with you.

We will not knowingly provide credit on the basis of misleading or deceptive information.

Our lending decisions and applicable pricing will take account of relevant customer and credit characteristics, including credit behaviour and risk, including your credit reference bureau score. The interest rate offered to you will therefore reflect an assessment of your individual credit risk.

Before you sign, we will tell you that you are free not to take the loan if you are not sure that it suits you or if its terms appear onerous. We will also tell you if your financial position may make repayment difficult, or if there is any other reason why the loan may not be suitable for you.

Where we use automated systems or artificial intelligence to make lending decisions, we will tell you so, we will explain to you any automated decision that affects your loan application, and a member of staff will review the decision if you ask.

4. INFORMATION PROVIDED BEFORE YOU ACCEPT A LOAN

Before you accept a loan, we will provide you with the information necessary to understand the credit facility and make an informed decision.

This will include the amount approved, amount to be disbursed, loan purpose where applicable, interest rate and method of calculation, applicable fees and charges, Total Cost of Credit, Annual Percentage Rate (APR), whether interest is calculated on a reducing balance or flat basis, whether the rate is fixed or variable, repayment frequency, repayment amount, loan tenor, payment dates, any balloon payment, the cooling-off period, any guarantor or security requirements, the period after which an unpaid loan becomes non-performing and may be reported to a credit reference bureau, our complaints channels and other material terms applicable to the facility.

You will have an opportunity to review the applicable terms before accepting the loan.

We will give you a Key Information Document for your loan product. It summarises the product's main benefits, risks, costs and terms in simple form.

If you cannot read or understand the written information, our staff will explain it to you orally in a language you understand. Where the transaction requires it, we will ask you to sign to confirm that the explanation was given.

5. INTEREST, PRICING AND APR

ECLOF may use different pricing structures and interest rates for different loan products and customers. Our loan products, interest rates and pricing parameters are subject to the prior written approval of the Central Bank

of Kenya.
The applicable interest rate, interest calculation method and other lending-related charges will be disclosed in your specific Loan Offer before you accept the facility.
Where a flat-rate method is used, this will be clearly stated. Your Loan Agreement will state whether interest is charged on a reducing balance or flat-rate basis, the periodic interest rate (for example, the monthly rate), the annual percentage rate, and whether the rate is fixed or variable.
Your Loan Offer will also disclose the **Annual Percentage Rate (APR)** applicable to your individual loan. The APR provides an annualized measure of the cost of credit based on the applicable loan amount, interest, relevant charges, repayment amounts, repayment frequency and timing of payments.
Our pricing is all-inclusive. The interest rate and APR include all fees and charges payable to ECLOF. Only costs payable to third parties are shown separately.

6. FEES, CHARGES AND THIRD-PARTY COSTS

ECLOF will disclose all fees, charges and other amounts payable in connection with your loan before you accept the facility.
Where a cost is payable to a third party, such as an insurer, Credit Reference Bureau, legal service provider or other service provider, it will be identified separately where applicable.
Where charges are deducted from the approved loan amount before disbursement, the Loan Offer will show the amount deducted and the amount you will receive.
ECLOF will not impose a fee or charge that is prohibited by applicable law or has not been properly disclosed to you. We will not recover from any charge that was not disclosed in the loan agreement signed and given to you when you took the loan. Any such amount collected will be refunded to you.

7. TOTAL COST OF CREDIT

Before accepting your loan, you will be informed of the **Total Cost of Credit** applicable to your facility.
The Total Cost of Credit represents the total financial cost associated with the credit facility, including principal, interest and applicable fees, charges and other amounts payable in connection with the loan, and any other amount you are liable to pay under the loan.
The specific Total Cost of Credit applicable to your facility will be shown in your Loan Offer.
The APR and the components of the Total Cost of Credit for our products are displayed at our branches, on our website and in our advertising.

8. LOAN AGREEMENT AND REPAYMENT SCHEDULE

If your application is approved, you will receive specific loan terms applicable to your facility.
Your Loan Offer and Repayment Schedule will set out the amount borrowed, amount disbursed, applicable interest and charges, loan tenor, repayment frequency, repayment amounts and payment dates.
The Repayment Schedule forms part of your credit agreement and should be retained for your records.
You should review your Repayment Schedule carefully before accepting the loan and contact ECLOF if you do not understand any part of it.
When you sign your Loan Agreement, physically or digitally, we will give you a copy of the signed agreement, the Repayment Schedule, the Total Cost of Credit and the terms and conditions that apply to your loan. If you sign digitally, we will send you the electronic agreement by a means that is convenient to you. You may ask for another copy of your Loan Agreement at any time after disbursement.
Your Loan Agreement will be written in clear and simple language that you understand.
If your loan includes a balloon payment (a final payment substantially larger than the regular instalments), your Loan Agreement will clearly state the amount of the balloon payment, the date it is due and what happens if it is not paid.

8A. COOLING-OFF PERIOD

After you sign your Loan Agreement, you have a cooling-off period of 14 days. During that period you may cancel the loan by repaying the amount disbursed to you together with interest for the days you held the funds. No other fee or penalty will be charged for cancelling within the cooling-off period.

9. REPAYMENT

You are expected to make your repayments on or before the dates stated in your Repayment Schedule.
The repayment channels available to you will be communicated when your loan is provided.
Please make repayments only through ECLOF's official bank accounts, mobile money paybill or till numbers, or other channels named in your Loan Agreement. Do not pay cash to, or send money to the personal account of, any ECLOF staff member, agent or other person.
We will credit your loan account with each payment on the date you make it, and we will give you a receipt or other confirmation of each payment, electronically or otherwise.
Each payment you make will be applied in this order: first to any principal that is due, then to any outstanding fees and charges on the loan, and then to interest due.
If you anticipate difficulty making a repayment, please contact ECLOF as early as possible. We encourage customers experiencing repayment difficulties to engage with us so that the circumstances can be understood and appropriate options considered. Depending on your circumstances and our Credit Policy, we may agree to restructure your loan, for example by changing the instalment amount or the repayment period. Any restructuring will be agreed with you, or notified to you in advance, and confirmed in writing. If we invite you to defer a payment, we will tell you whether interest will continue to accrue during the deferral and, if so, at what rate.

10. EARLY REPAYMENT

You may choose to repay your loan in full or in part, at any time and without giving us advance notice, before the scheduled final repayment date.

We will not charge you any penalty, fee or other charge for repaying early. If you repay your loan in full before the end of its term, you will not pay interest for the remaining period of the loan. A part-payment will reduce the principal, interest or fees that you owe.

If you wish to settle your loan early, contact ECLOF for the applicable settlement amount and instructions.

11. MISSED PAYMENTS AND DEFAULT

If you do not make a repayment when it falls due, your account may become overdue.

Your loan will be treated as non-performing if principal or interest remains unpaid for more than thirty (30) days, for a loan of thirty days or less, or more than ninety (90) days, for a loan of more than thirty days, or for the shorter default period stated in your Loan Agreement.

Please contact ECLOF as soon as possible if you are unable to make a payment.

Where applicable, ECLOF may take reasonable steps to recover amounts lawfully due under the credit agreement. Any default charges, collection costs or enforcement action will be subject to the terms of your credit agreement and applicable law. The only default charges we may impose are: reasonable legal costs of collecting or attempting to collect overdue payments; reasonable costs, including legal costs, of realising any security or protecting it after default; and reasonable costs where a cheque or other payment instrument you give us is dishonoured. We will only incur recovery expenses that are absolutely necessary, and we will give you a detailed breakdown of those expenses and the reasons for them.

Debt collection and recovery activities will be conducted fairly, professionally and with respect for customer rights. Our staff, agents and debt collectors will not threaten, abuse, shame or harass you. They will not contact the people in your phone book or post your information publicly. They will not call you or anyone else outside working hours, and they will not take essential personal effects when recovering a loan. If we appoint an external debt collector, we will tell you who the collector is and how the debt will be collected before the collector contacts you.

If your loan is secured, we will enforce the security only in accordance with the law. For movable property, such as a vehicle or equipment, we will give you at least thirty (30) days' notice before any sale. Security over land will be enforced only in accordance with Part IX of the Land Act. Any sale of your property or a guarantor's property will be conducted transparently.

11A. LIMIT ON WHAT WE CAN RECOVER (IN DUPLUM)

Once your loan becomes non-performing, the most we can recover from you is the total of: (a) the principal owing when the loan became non-performing; (b) interest under your Loan Agreement, but not more than that principal amount; and (c) reasonable expenses of recovering the amounts due.

If the loan becomes non-performing, you then resume payments, and it later becomes non-performing again, these limits are worked out from the date it last became non-performing. We will not recover interest in excess of the outstanding principal, including through court proceedings, except interest ordered by a court that accrues after the court's order.

11B. GUARANTORS

You must obtain a person's consent before naming him or her as your guarantor, and you must keep your guarantor informed of the status of your loan. We will confirm the guarantor's consent before accepting the guarantee, and we will send your guarantor periodic statements on the performance of your loan.

We will only ask a guarantor to pay after all non-judicial means of recovering the loan from you have been exhausted, and only after giving the guarantor fourteen (14) days' notice of your default.

12. INSURANCE AND OTHER SERVICES

ECLOF will not require you to buy any other product as a condition of getting a loan. the cover required and its cost will be disclosed to you in writing before you accept the loan. You may buy the insurance through any agent or insurer lawfully able to provide it, and ECLOF may decline an insurer you choose only on reasonable grounds.

Where a service is optional, we will clearly identify it as optional. You will not be required to purchase an optional service simply because you have applied for or obtained a loan. You may cancel an optional service of a continuing nature on thirty (30) days' notice, and you will not pay for any part of the service not yet provided.

13. CREDIT REFERENCE INFORMATION

Where permitted by law, ECLOF may obtain credit information about you from a licensed Credit Reference Bureau as part of its credit assessment and account management processes.

ECLOF is required by law to submit information concerning your credit facility and repayment performance to a licensed Credit Reference Bureau, including both positive and negative information.

Before we submit negative information about you to a credit reference bureau, we will notify you in writing or by recorded electronic means at least thirty (30) days in advance, or within any shorter period stated in your Loan Agreement. That shorter period will be at least seven (7) days for loans repayable at intervals of less than thirty days. Within thirty (30) days after submitting the information, we will notify you that it has been submitted. We will not submit negative information where the amount outstanding is one thousand shillings (KES 1,000) or less.

A negative listing may make it harder for you to obtain credit from ECLOF and other lenders while the listing remains on your credit report.

We will handle credit information in accordance with applicable laws and regulatory requirements.

If you believe that information concerning you has been reported incorrectly, you may contact ECLOF through our complaints channels. If the information is false or inaccurate, we will promptly correct our records and the

information held by the bureau.

14. PERSONAL DATA AND PRIVACY

ECLOF may collect, use, store and process personal information that is reasonably required to provide and administer credit, assess applications, manage credit risk, process transactions, prevent fraud, communicate with customers, recover amounts lawfully due and comply with legal and regulatory obligations. We will not access your phone book, contacts list or other phone records for debt collection purposes.

Your personal information will be handled in accordance with the Data Protection Act (Cap. 411C) and ECLOF's Data Protection Policy and Privacy Notice.

We will ask for your consent to process your personal data on a separate Data Consent Form. The form is not part of these General Terms, your Loan Offer or your Loan Agreement. It will tell you the types of personal data we will process, who may have access to them and how long we will keep them. Your consent must be express, freely given and specific, and you may withdraw it at any time. Withdrawal does not affect processing already carried out, or processing that the law requires or permits without your consent, such as reporting to credit reference bureaus.

We will not share your information with any other person without your express consent, except where the law requires or permits it.

Under the Data Protection Act, you have the right to be informed of how your personal data will be used; to access your personal data; to object to the processing of all or part of it; and to have false or misleading data corrected or deleted. If you are not satisfied with how we handle your personal data, you may complain to us and to the Office of the Data Protection Commissioner.

Further information about how ECLOF handles personal information is available in our **Privacy Notice** published on the ECLOF Kenya website.

15. CUSTOMER COMMUNICATION

ECLOF may communicate with you through appropriate channels, including telephone, SMS, email, digital platforms, physical correspondence or other channels that you have provided or that are permitted by law.

We may use these channels to provide information about your loan, repayment reminders, account information, service updates, complaints and other matters relating to our services.

We will tell you when you are communicating with an automated system or artificial intelligence rather than a member of staff.

You may opt out of marketing and promotional messages at any time by replying "STOP" on the message received. On full repayment of your loan, you may also unsubscribe from our digital services and their marketing messages. Opting out of marketing does not stop service messages about a loan you still have with us.

You should ensure that the contact information you provide to ECLOF is accurate and kept up to date. We will ask you to update your personal and contact details from time to time, and at least once every two years.

16. CUSTOMER RESPONSIBILITIES

You are responsible for providing accurate and complete information when applying for and using an ECLOF loan.

You should carefully review your loan terms before accepting the facility, make repayments on time, keep your contact information updated and promptly notify ECLOF of any material issue affecting your ability to meet your repayment obligations.

You must also: (a) obtain the consent of any person before naming him or her as a guarantor, and keep your guarantor informed of the status of your loan; (b) tell us about your existing debts; (c) act promptly on communications from us; (d) check your repayment status regularly and tell us of any discrepancy in your repayment records; (e) give us an alternative contact person in case you cannot be reached, and tell that person that you have listed him or her and shared his or her contact details with us; and (f) tell us of any change in your financial status, your contact details or those of your contact person.

You should also keep your account credentials, PINs, passwords and other security information confidential and immediately notify ECLOF if you suspect unauthorised access or activity. When you notify us of suspected fraud, loss of a device or disclosure of your password, we will take immediate steps to prevent access to or misuse of your account.

17. FAIR TREATMENT AND CONSUMER PROTECTION

ECLOF is committed to treating customers fairly and providing clear, accurate and understandable information.

We will not provide false, misleading or deceptive information concerning our credit products, pricing, charges, repayment obligations or other material terms.

We will not discriminate against you on the grounds of sex, race, colour, ethnic or social origin, tribe, birth, creed or religion, political opinion, disability, pregnancy, marital status, health status, conscience, belief, culture, dress or language. Our staff will not ask for or accept bribes or gifts to serve you, and we will never require you to recruit other borrowers in order to qualify for any benefit.

We are committed to making our branches, website and digital platforms accessible to persons with disabilities. If you need assistance, please tell our staff.

Customers will have reasonable access to information about their credit facilities and the opportunity to seek clarification before accepting a loan.

We will handle customer complaints and requests for redress through our established consumer complaints and redress mechanisms.

18. CUSTOMER COMPLAINTS AND REDRESS

If you are dissatisfied with any aspect of our services, you have the right to make a complaint.

You may complain about your loan application, loan terms, pricing, interest, fees, repayments, account information, customer service, debt collection, credit reference information, personal data or any other aspect of our services.

Our customer care channels are:
Telephone: 0708 233 233
SMS/WhatsApp: 0708 233 233
Email: info@eclof-kenya.org
Branch: Any ECLOF Kenya branch/touch point
Postal Address: 34889 – 00100, Nairobi

We will acknowledge, investigate and respond to complaints through our established complaints handling process and we aim to resolve your complaint immediately. If we cannot, we will acknowledge it within seven 7 days of receiving it. If you complained orally and the complaint is not resolved within forty-eight 48 hours, we will confirm to you in writing or electronically that the complaint has been recorded and is pending. In every case we will resolve your complaint within thirty 30 days of your reporting it.
If your complaint is not resolved within that time, or you are not satisfied with the outcome, you may lodge a complaint with the Central Bank of Kenya Complaints about personal data may also be made to the Office of the Data Protection Commissioner. This does not affect your right to go to court.

19. CUSTOMER ACCESS TO INFORMATION

You may request information relating to your ECLOF loan, including your loan agreement, Loan Offer, Repayment Schedule, account statement, outstanding balance, transaction history, applicable charges and settlement amount.
We will provide information in a clear and understandable form, subject to applicable legal and regulatory requirements.
On request, we will give you a free loan statement showing the principal advanced and owing, the total interest charged, paid and owing, the interest rate applied from the date of the loan agreement, and the nature and amount of all charges imposed. You can also check your loan statement at any time through USSD. We will promptly correct any error in your statement or records, whether we find it ourselves or you tell us about it.

20. CHANGES TO THESE GENERAL TERMS

ECLOF may update these General Terms from time to time to reflect changes in our products, services, business practices, applicable law or regulatory requirements.
The current version will be published on the ECLOF Kenya website.
Changes to the specific terms of an existing credit facility will be handled in accordance with the applicable credit agreement and applicable law and regulation. We will not change the interest rate, pricing parameters or other credit terms of your existing loan without: (a) the prior written approval of the Central Bank of Kenya; (b) at least thirty (30) days' notice to you, clearly explaining the changes; and (c) your acceptance of the change. Any other variation of your Loan Agreement will be agreed with you in the same manner as the original agreement, unless the agreement expressly provides otherwise.

21. GOVERNING LAW

These General Terms and the provision of credit by ECLOF are governed by the laws of Kenya.
Nothing in these General Terms limits or excludes any right or protection that you have under applicable Kenyan law or regulation.

22. IMPORTANT CUSTOMER NOTICE

Please do not accept a loan unless you understand how much you are borrowing, how much you will receive, what the loan will cost you and how you will repay it. You are free not to take a loan if you are not sure that it suits you or if its terms appear onerous.
If you have any questions, please contact ECLOF before accepting the loan.

ECLOF KENYA LIMITED
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