



**PUBLIC SERVICE MICRO FINANCE COMPANY**  
**ASSET LOAN APPLICATION FORM**  
*(TO BE COMPLETED FOR FULL OR PARTIAL FINANCE BY APPLICANT)*

**PART 1**

**For Official Use Only**

Customer Reference Number  Account Number

**To be completed by applicants**  
**1<sup>st</sup> Applicant Personal Details**

Dr/Prof/Mr/Mrs/Miss Surname  Middle Name  First Name

Gender  Male  Female Date of Birth  NRC NO.

Office Telephone No.  Mobile No.

Email Address

Driver's License No (if any)  Expiry Date

Residential Address   
 Owned  Leased How Long at This Place

Postal Address   
Town  Province

**2<sup>nd</sup> Applicant Personal Details (For Joint Applications)**

Dr/Prof/Mr/Mrs/Miss Surname  Middle Name  First Name

Gender Male  Female  Date of Birth  NRC NO.

Office Telephone No.  Mobile No.

Email Address

Driver's License No (if any)  Expiry Date

Residential Address   
 Owned  Leased How Long at This Place

Postal Address   
Town  Province

**3<sup>rd</sup> Applicant Personal Details (For Joint Applications)**

Dr/Prof/Mr/Mrs/Miss Surname  Middle Name  First Name

Gender Male  Female  Date of Birth  NRC NO.

Office Telephone No.  Mobile No.

Email Address

Driver's License No (if any)  Expiry Date

Residential Address

Owned  Leased How Long at This Place

Postal Address

Town  Province

**4<sup>th</sup> Applicant Personal Details (For Joint Applications)**

Dr/Prof/Mr/Mrs/Miss Surname  Middle Name  First Name

Gender Male  Female  Date of Birth  NRC NO.

Office Telephone No.  Mobile No.

Email Address

Driver's License No (if any)  Expiry Date

Residential Address

Owned  Leased How Long at This Place

Postal Address

Town  Province

**PART 2**

**Employment Details**

**1<sup>st</sup> Applicant**

Job Title

Ministry

Physical Address

Postal Address

Town  Province

Gross Salary  Current Net Salary  Salary Scale

Preferred Year of Retirement  Employee Number  Years in Employment

*Please Tick where Appropriate:*

Permanent Employment  Contract Employment  If on Contract, state expiry date

**2<sup>nd</sup> Applicant (For Joint Applications)**

Job Title

Ministry

Physical Address

Postal Address

Town  Province

Gross Salary  Current Net Salary  Salary Scale

Preferred Year of Retirement  Employee Number  Years in Employment

*Please Tick where Appropriate:*

Permanent Employment  Contract Employment  If on Contract, state expiry date

**3<sup>rd</sup> Applicant (For Joint Applications)**

Job Title

Ministry

Physical Address

Postal Address

Town  Province

Gross Salary  Current Net Salary  Salary Scale

Preferred Year of Retirement  Employee Number  Years in Employment

*Please Tick where Appropriate:*

Permanent Employment  Contract Employment  If on Contract, state expiry date

**4<sup>th</sup> Applicant (For Joint Applications)**

Job Title	<input type="text"/>				
Ministry	<input type="text"/>				
Physical Address	<input type="text"/>				
Postal Address	<input type="text"/>				
Town	<input type="text"/>	Province	<input type="text"/>		
Gross Salary	<input type="text"/>	Current Net Salary	<input type="text"/>	Salary Scale	<input type="text"/>
Preferred Year of Retirement	<input type="text" value="DD/MM/YYYY"/>	Employee Number	<input type="text"/>	Years in Employment	<input type="text"/>
<i>Please Tick where Appropriate:</i>					
Permanent Employment	<input type="checkbox"/>	Contract Employment	<input type="checkbox"/>	If on Contract, state expiry date	<input type="text" value="DD/MM/YYYY"/>

**1<sup>st</sup> Applicant Next of Kin Information**

Name	<input type="text"/>	Other Names	<input type="text"/>
Physical Address	<input type="text"/>		
	<input type="text"/>		
Postal Address	<input type="text"/>		
Cell Number	<input type="text"/>		
Email address	<input type="text"/>		

**2<sup>nd</sup> Applicant Next of Kin Information (For Joint Applications)**

Name	<input type="text"/>	Other Names	<input type="text"/>
Physical Address	<input type="text"/>		
	<input type="text"/>		
Postal Address	<input type="text"/>		
Cell Number	<input type="text"/>		
Email address	<input type="text"/>		

**3<sup>rd</sup> Applicant Next of Kin Information (For Agric Assets Only)**

Name	<input type="text"/>	Other Names	<input type="text"/>
Physical Address	<input type="text"/>		
	<input type="text"/>		
Postal Address	<input type="text"/>		
Cell Number	<input type="text"/>		
Email address	<input type="text"/>		

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**4<sup>th</sup> Applicant Next of Kin Information (For Agric Assets Only)**

Name	<input type="text"/>	Other Names	<input type="text"/>
Physical Address	<input type="text"/>		
	<input type="text"/>		
Postal Address	<input type="text"/>		
Cell Number	<input type="text"/>		
Email address	<input type="text"/>		

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PARTIAL/FULL FINANCE BY APPLICANT

**PART 3A**

**Loan Product Applied for (Tick ONE Only)**

Motor Vehicle Loan       Agricultural Asset Loan       Furniture Loan

Building Materials Loan       Bring your Own Device Loan

**PART 3B**

**Description of Asset: Attach Valid Quotation(s) of the Asset**

**PART 4A**

*(Note that these amounts are subject to confirmation by relevant institutions and may change)*

**Loan Amount Applied:**

Total Cost of Asset

Total Insurance Cost

Less Advance Payment

Loan Amount Applied for

Tenure

**Share of loan applied for (Asset and Agricultural Assets Loans ONLY):**

First Applicant	<input type="text"/>	Second Applicant	<input type="text"/>
Third Applicant (Agric Asset ONLY)	<input type="text"/>	Fourth Applicant (Agric Asset ONLY)	<input type="text"/>
First Applicant Proportion of loan (%)	<input type="text"/>	Second Applicant Proportion of loan (%)	<input type="text"/>
Third Applicant Proportion of loan (%)	<input type="text"/>	Fourth Applicant Proportion of loan (%)	<input type="text"/>

**PART 4B**

**DECLARATION OF SOURCE OF FUNDS: PARTIAL OR FULL FINANCE**

Please state below your source of funds put forward for partial/full finance of asset (Delete whichever is not applicable)

**PART 4C**

**AFFIRMATIONS**

I \_\_\_\_\_ (full name) hereby confirm that the information provided by me in this loan application, including my source of funds put forward for partial/full finance of asset is true and correct and I have the capacity to repay the loan. I understand that this Loan Application may be declined at any stage should any information contained herein be found to be incorrect or misleading in any material way.

I consent to PSMFC making enquiries regarding my credit history with any Credit Reference Bureau or Credit Rating Agency and for PSMFC to share my payment behaviour with any Credit Reference Bureau or Credit Reference Agency and any other institution that it may require to do so in order to assess my application or by applicable laws or regulation.

I consent to PSMFC reporting the conclusion of any credit agreement in compliance with the Zambian legislation.

.....  
**First Applicant Signature**

.....  
**Date**

I \_\_\_\_\_ (full name) hereby confirm that the information provided by me in this loan application, including my source of funds put forward for partial/full finance of motor vehicle is true and correct and I have the capacity to repay the loan. I understand that this Loan Application may be declined at any stage should any information contained herein be found to be incorrect or misleading in any material way.

I consent to PSMFC making enquiries regarding my credit history with any Credit Reference Bureau or Credit Rating Agency and for PSMFC to share my payment behaviour with any Credit Reference Bureau or Credit Reference Agency and any other institution that it may require to do so in order to assess my application or by applicable laws or regulation.

I consent to PSMFC reporting the conclusion of any credit agreement in compliance with the Zambian legislation.

.....  
**Second Applicant Signature** **Date**

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I \_\_\_\_\_ (full name) hereby confirm that the information provided by me in this loan application, including my source of funds put forward for partial/full finance of motor vehicle is true and correct and I have the capacity to repay the loan. I understand that this Loan Application may be declined at any stage should any information contained herein be found to be incorrect or misleading in any material way.

I consent to PSMFC making enquiries regarding my credit history with any Credit Reference Bureau or Credit Rating Agency and for PSMFC to share my payment behaviour with any Credit Reference Bureau or Credit Reference Agency and any other institution that it may require to do so in order to assess my application or by applicable laws or regulation.

I consent to PSMFC reporting the conclusion of any credit agreement in compliance with the Zambian legislation.

.....  
**Third Applicant Signature** **Date**

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I \_\_\_\_\_ (full name) hereby confirm that the information provided by me in this loan application, including my source of funds put forward for partial/full finance of motor vehicle is true and correct and I have the capacity to repay the loan. I understand that this Loan Application may be declined at any stage should any information contained herein be found to be incorrect or misleading in any material way.

I consent to PSMFC making enquiries regarding my credit history with any Credit Reference Bureau or Credit Rating Agency and for PSMFC to share my payment behaviour with any Credit Reference Bureau or Credit Reference Agency and any other institution that it may require to do so in order to assess my application or by applicable laws or regulation.

I consent to PSMFC reporting the conclusion of any credit agreement in compliance with the Zambian legislation.

.....  
**Fourth Applicant Signature** **Date**

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**PART 6**  
**Supporting Documentation Submitted [Tick (✓)]**

Applicants are advised to attach the following documents

SN	Document	First Applicant	Second Applicant	Third Applicant	Fourth Applicant
1.	Introduction letter from employer				
2.	Certified Copies of three latest payslips				
3.	Certified Copy of National Registration Card (NRC)				
4.	Certified copy of valid driver's license (if any)				
5.	Valid quotation from the asset dealer				
6.	Stamped copy of previous month's bank statement				
7.	Pre-signed and undated "STOP ORDER" instruction to your bank where you hold the salaries account				
8.	Proof of marriage (Motor Vehicle Joint Application ONLY)				

**PART 7**

**For Official Use Only**

**i. LOANS OFFICER'S COMMENTS**

Recommended	Declined
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Amount Recommended K \_\_\_\_\_

Tenure \_\_\_\_\_

**Monthly Repayments:**

First Applicant (K)

Second Applicant (K)

Third Applicant (K)

Fourth Applicant (K)

First Applicant Proportion of loan (%)

Second Applicant Proportion of loan (%)

Third Applicant Proportion of loan (%)

Fourth Applicant Proportion of loan (%)

**Total monthly repayment (K)**

Effective Date \_\_\_\_\_

**Comment:**

.....  
.....

\_\_\_\_\_  
**Loans Officer's Name**

Signature \_\_\_\_\_

Date \_\_\_\_\_

**ii. AUDIT, RISK AND COMPLIANCE DEPARTMENT FOR AUDIT**

**Pre Audit**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

**Comment:**

.....  
.....

Signature: \_\_\_\_\_



iii. CHIEF EXECUTIVE OFFICER/DIRECTOR – OPERATIONS/ MANAGER – ASSETS

Declined		Approved	
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Amount K \_\_\_\_\_

**Comment:** .....  
.....

Name: \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

PARTIAL/FULL FINANCE BY APPLICANT



## Terms and Conditions for the Public Service Asset Loan Scheme Facility

### 1. Definitions and Interpretations

- 1.1. **"Agreement"** means the Facility Letter, read together with these Terms and Conditions, the Application Form you completed and all Annexure relating to this Agreement. In the event of any differences arising from the interpretation of this Agreement in a language other than English, such differences must be resolved by referring to the English version of the Agreement, which interpretation will prevail;
- 1.2. **"Absolute Owner"** means the Government of the Republic of Zambia, through the Ministry responsible for managing government transport at that particular time or Public Service Micro Finance Company, depending on the type of asset financed, who shall be the first owner;
- 1.3. **"Advance Payment"** means any monies paid to PSMFC by the borrower as part of the Purchase Price and/or toward insurance or any other cost;
- 1.4. **"Agricultural Equipment"** means the all agricultural equipment purchased by the borrower using funds accessed by the borrower from Public Service Micro Finance Company under the Public Service Agricultural Assets Loan Scheme;
- 1.5. **"Asset"** means all assets, including motor vehicles, agricultural equipment, building materials, furniture or Information Communication Technology (ICT) devices capable of being financed by Public Service Micro Finance Company and may include those actually financed by Public Service Micro Finance Company;
- 1.6. **"Balloon Payment"** means that portion of the Purchase Price that has been suspended and which is payable as stipulated in this Agreement;
- 1.7. **"Building Materials"** means all materials which can be used for construction of a dwelling house such as but not limited to building blocks, bricks, cement, concrete wire, brick force wires, tying wire, nails, tiles, paints, timber, steel, electrical cables, electrical finishes, plumbing materials or roofing materials being capable of being financed by the Public Service Micro Finance Company and may include those actually financed by the Public Service Micro Finance Company. Building materials financed under this facility shall exclude sand, quarry dust, stones or water;
- 1.8. **"Business Days"** means any day other than a Saturday, Sunday or any other day gazetted as a public holiday in the Republic of Zambia;
- 1.9. **"Borrower", "you" or "your"** means the consumer as fully set in this Agreement;
- 1.10. **"Bring Your Own Device Loan"** means the loan product or financing offered by PSMFC to eligible clients to access information and communication technology devices or offered;
- 1.11. **"Credit Provider", "we" or "us"** means Public Service Micro Finance Company Limited;
- 1.12. **"Delivery Receipt"** means the authorization which you sign acknowledging that you have received the asset(s) in good condition from the supplier;
- 1.13. **"Effective Rate"** means the interest rate charged by PSMFC, to you, which is a fixed rate and above the Bank of Zambia Monetary Policy Rate (MPR); **"Eligible Institution"** means a state-owned, grant aided or parastatal institution which has entered into a memorandum of understanding with PSMFC for staff access to PSMFC products;
- 1.14. **"Equipment"** shall have the same meaning as Asset;
- 1.15. **"Full financing"** means the borrower has met the full cost of the asset and has paid an appropriate administrative fee;
- 1.16. **"Partial financing"** means the borrower has met part of the cost of the asset and has paid an appropriate administrative fee, where applicable;
- 1.17. **"Furniture"** means the household furniture purchased by the borrower using funds accessed by the borrower from Public Service Micro Finance Company under the Public Service Furniture Loan Scheme;
- 1.18. **"GRZ"** means Government of the Republic of Zambia';
- 1.19. **"Information and Communications Technology Device"** means desktop computers, laptop computers, palmtop computers, smartphones, tablets, shredders, printers and routers
- 1.20. **"Joint Applicants"** means
- 1.20.1. For applications under the Public Service Motor Vehicle Loan Scheme, a married couple applying for the purchase of a single motor vehicle and shall service the loan so advanced jointly in the proportion indicated on the Application Form;
- 1.20.2. For applications under the Public Service Agricultural Assets Loan Scheme, up to four (4) public service workers who agree to purchase a single or various agricultural equipment under one application and shall service the loan so advanced jointly in the proportions indicated on the Application Form;
- 1.21. **"Juristic person"** means a partnership, association of other body of persons, corporate or unincorporated, or a trust;
- 1.22. **"Loan amount"** means the portion of funds paid to a Supplier by PSMFC being a loan granted to the borrower under this Agreement together with the interest applicable, and shall not include any Pre-Payment;
- 1.23. **"Motor vehicle"** means the motor vehicle purchased under the Public Service Motor Vehicle Loan Scheme including all the accessories and/or extras as per valid quotation from the supplier or added thereon at any other time;
- 1.24. **"MPR" or "Monetary Policy Rate"** means the interest published by the Bank of Zambia, being the benchmark for setting interest rates;
- 1.25. **"Person"** means a partnership, association of other body of persons, corporate or unincorporated, or a trust;
- 1.26. **"Pre-Pay/Pre- Payment"** means any monies paid to PSMFC by the borrower towards the settling or reduction of the loan amount which amount is in excess of the expected monthly instalment due;
- 1.27. **"PSMFC"** means Public Service Micro Finance Company Limited, a limited liability company incorporated under the Laws of Zambia being owned by the Government of the Republic of Zambia;
- 1.28. **"Public Service Agricultural Asset Plus Loan Scheme"** means a short to medium term loan product designed to enable public service workers acquire brand-new agricultural equipment and other eligible agricultural assets of their choice, from renowned agricultural assets dealers accredited by PSMFC.
- 1.29. **"Public Service Building Materials Loan Scheme"** means a short to medium term loan product designed to enable public service workers acquire eligible brand-new building materials of their choice, from renowned dealers of building materials accredited by PSMFC.
- 1.30. **"Public Service Furniture Loan Scheme"** means a short to medium term loan product designed to enable public service workers acquire brand-new household furniture of their choice, from renowned furniture dealers accredited by PSMFC.

- 1.31. **“Public Service Motor Vehicle Loan Scheme”** means a short to medium term loan product designed to enable public service workers acquire prescribed brand-new motor vehicles of their choice, either duty free or duty paid, from renowned motor vehicle dealers accredited by PSMFC.
- 1.32. **“Bring Your Own Device Loan Scheme”** means a short to medium term loan product designed to enable public service workers acquire prescribed brand-new ICT equipment of their choice from renowned ICT devices dealers accredited by PSMFC.
- 1.33. **“Purchase Price”**, the total sum payable by you under this Agreement, including the sum payable by way of a deposit or other initial payment;
- 1.34. **“Supplier”** means the seller or any other party from whom you procure the asset;
- 1.35. **“Schedule”** means amortized loan amount extended to the borrower under this facility.

## 2. Change in Circumstances

- 2.1 Notwithstanding anything contained in this Agreement, any change in or introduction of any law, regulation, ruling, directive, policy and/or guidelines or any similar event with which PSMFC is obliged to comply and/or which is in accordance with the practice of a responsible financial institution or any interpretation, administration or application thereof results in any increase to PSMFC in the cost of maintaining and/or providing the loan or any unused portions thereof, this shall not be passed onto the borrower but shall be recovered within the applicable interest rate in this Agreement.

## 3 Delivery and Risk

- 3.1 We, on behalf of the Government of the Republic of Zambia and on our own behalf as the case may be, provide funds for purchase the asset (s) in your favour on the terms and conditions of this Agreement.
- 3.2 You acknowledge that you have chosen the assets (s) from the Supplier, and that if such asset is a motor vehicle purchased duty free, it shall be used for personal and official government duty.
- 3.3 You must inspect the asset (s) on collection from the Supplier so as to ensure that the asset (s) is/are not defective in any way and is suitable for the purposes for which you require it.
- 3.4 If you are satisfied with the asset (s), then you must acknowledge this by signing the Delivery Receipt. Your signing of a Delivery Receipt is confirmation that the asset (s) is/are in good working condition and order.
- 3.5 All risk in and to the asset (s) will pass to you and remain with you when you take delivery of the asset (s) or when the risk leaves the Supplier, whichever is the earlier.

## 4 Ownership

- 4.1.1 For motor vehicles financed duty free, the Government of the Republic of Zambia, through the Ministry responsible for managing government transport at that particular time, shall remain the absolute owner of the asset for the duration of this Agreement.
- 4.1.2 For other assets capable of being registered and assets financed duty paid, Public Service Micro Finance Company shall remain the absolute owner for the duration of this Agreement.
- 4.1.3 On expiry of this Agreement, and provided that all monies due and payable are received and honoured, and any outstanding balances under this Agreement are settled in full, all right, title and interest in the asset will be passed on to you. Transfer of ownership from the Ministry responsible for Government transport or Public Service Micro Finance Company, as the case may be, to yourself shall be your responsibility.

- 4.1.4 Whilst PSMFC or the Government of the Republic of Zambia maintains an interest in the asset, you must ensure that the asset does not become attached to any other property or third party and you agree that you will obtain a letter releasing the asset from such attachment should such attachment occur.

## 5 Insurance

- 5.1 Except where the asset is fully financed by the borrower, we shall arrange, at your cost, insurance cover for the asset purchased under this Agreement or relating to the possession, use, ownership or benefit of the asset;
- 5.2 In respect of any insurance policy arranged by us, we will;
- 5.2.1 Disclose the cost to you of any insurance supplied.
- 5.2.2 Be the first loss payee under the policy up to the settlement value of this Agreement at the occurrence of an insured contingency.
- 5.2.3 Give you a copy of the Insurance Policy, and it shall be your responsibility to understand the terms and conditions thereof.
- 5.3 By giving consent to this Agreement, you authorize us to pay any premiums due under that policy and any subsequent policies during the term of the Agreement on your behalf as they fall due and to debit you monthly with the amount of such premiums.
- 5.4 We shall not be liable in the event of an insurer rejecting your claim for any reason. Where an insurer rejects your claim for insurance, you remain liable to settle all outstanding amounts under this Agreement.
- 5.5 Where any sums paid by an insurer do not extinguish your liabilities under this Agreement, you remain liable to settle the outstanding sums.
- 5.6 Further, we may require that you maintain credit life insurance and/or any other appropriate insurance for a value not less than the total of your outstanding obligations to us in terms of this Agreement.
- 5.7 Where an insurer requires that an excess be paid where a claim is made by you, you shall be liable for the payment of the excess.

## 6 Use of the Assets

- 6.1 Where applicable, you must maintain and service the assets at your cost in accordance with the manufacturer's specifications.
- 6.2 Where applicable, you must not modify the asset without our prior written approval, and if you add any accessory, this will become part of the asset and we shall not compensate you for this.
- 6.3 You must not sell, let, loan, lease, pledge or transfer the asset or any right, title and interest in the asset to another person without our prior written approval from PSMFC. You must not allow the asset to become subject to any attachment, lien, hypothec or any legal claim.
- 6.4 Where applicable, anyone who uses the asset must be fully qualified and licensed.
- 6.5 You must at your cost comply with any law relating to the use, possession, licensing and/or registration of the asset.

## 6.6 Registration

- 6.6.1 For motor vehicles purchased free of duty, the asset will be registered in terms of the Road and Roads Traffic Act No. 11 of 2002, in the name of GRZ as “Absolute owner”, and you must keep the asset in a good and roadworthy condition at your own cost.
- 6.6.2 Other assets capable of being registered, the asset will be registered in terms of the Road and Roads Traffic Act No. 11 of 2002, in the name of Public Service Micro Finance Company as “Absolute owner” with your name as first owner, and you must keep the asset in a good, usable and/or roadworthy condition at your own cost.

## 7 Location of the Asset

- 7.1 Where applicable, you must inform us in writing of any change to:
- 
- 7.1.1 The address where the asset is normally kept; and /or
- 7.1.2 The name and address of the person in permanent possession of the asset
- 7.2 If applicable, you must inform your landlord or mortgage holder of the premises where the asset is kept, that we own the asset.
- 7.3 We or our agent may inspect the asset at any reasonable time, at the place where it is normally kept.
- 7.4 You may not take the asset out of the Republic of Zambia without our prior written consent, which consent may have conditions attached thereto.
- 7.5 Where applicable, We, the Sheriff of Zambia or any of his officers or the clerk of court, may request you to provide details as to the whereabouts of the asset(s) at any time, as well as details of any third-party possessor of the asset, or of the landlord or mortgage holder of any premises where the asset is kept. Providing false or misleading information or acting in a manner that is likely to frustrate us from exercising our rights, is a breach of contract.

## 8 Repayments

- 8.1 All payments which shall be made by monthly instalment shall be deducted from your monthly salary through the payroll unless we agree otherwise.
- 8.2 You may at any time prepay any amount under this Agreement. Your repayments will be used to reduce your obligations in the following order:
- 8.2.1 Firstly against any due and unpaid interest;
- 8.2.2 Secondly against due or unpaid fees or charges; and
- 8.2.3 Thirdly against the outstanding amount of the Purchase Price or principle loan amount.
- 8.3 If you pre-pay an amount in terms of this Agreement, you agree that we will use such amounts to proportionately reduce your repayments over the remaining period of the original term of this Agreement.
- 8.4 Interest accrues daily, thus the total interest payable and the total amount repayable by you may increase if you fail to honour the payments on the stipulated due date/s.
- 8.5 The loan facility shall attract a fixed repayment amount throughout the Agreement. Should there be a variation on the outstanding amount for reasons such as but not limited to change in interest rate, delayed or missed payment/s of monthly instalment or for any other reason, the tenor of the loan facility shall be increased to accommodate the outstanding balance. PSMFC reserves the right to amend the equal monthly instalment where this is the more desirable approach.
- 8.6 If this Agreement is terminated by us and you dispute such termination whilst remaining in possession of the asset, you must continue to pay all amounts due. Notwithstanding our acceptance of such payments, we will not lose any of our rights herein.
- 8.7 You agree that in the event we fail to recover from you through payroll as agreed upon in this Agreement, we shall affect the direct debit through your salary's account or any other account, details of which you have provided in the Application Form or otherwise.
- 8.8 Where a borrower ceases to be a public service worker or ceases to be in the employment of an eligible institution the outstanding loan amount immediately becomes due. Where the loan facility is in relation to the acquisition of a motor vehicle free of duty, the residual tax on the duty waiver becomes applicable and this tax shall be computed by and paid to the relevant tax authority in addition to the outstanding loan amount due to PSMFC.

## 9 Treatment of Taxes

- 9.1 Taxes shall be amortized annually.

- 9.2 At the time of transfer of property of the asset to you or any other person advised by you, the borrower shall be required to pay residual tax (if any) which shall be charged on the Net Book Value.

- 9.3 Where you acquire a motor vehicle via full financing or you have fully settled any loans under the Public Service Motor Vehicle Loan Scheme and you cease to be a public service worker or cease to be in employment of an eligible institution, you shall cease to enjoy the tax waiver and the residual tax on the duty waived becomes applicable and this tax shall be computed by and paid to relevant tax authorities.

## 10 Early settlement of the Loan

- 10.1 You may settle this loan in full at any time with or without notice, by paying the settlement value owed to us. The settlement value will be calculated as follows:

- 10.1.1 The unpaid balance of the Purchase Price; and
- 10.1.2 the unpaid interest and all other fees and charges payable by you to us up until the settlement date.

## 11 Breach

- 11.1 An occasion of breach shall occur if but is not limited to where: -

- 11.1.1 You do not comply with this Agreement (all provisions of which you agree are material); or
- 11.1.2 You fail to pay any amounts due under this Agreement either through payroll or direct debt; or
- 11.1.3 You have made any misleading statements to us before or during the course of this Agreement and or it comes to our attention that any or all of the information that you provided us with is untrue, false, incomplete or otherwise does not depict the true state of affairs;
- 11.2 Upon the occurrence of any of the above-mentioned events, we shall be entitled, at our election and without prejudice to all our other rights under this Agreement: -

- 11.2.1 Terminate this Agreement immediately; and
- 11.2.2 Claim immediate payment of the outstanding balance together with the interest and all amounts owing or claimable by ourselves, irrespective of whether or not such amounts are due on that date; and/or
- 11.2.3 Take repossession of the asset and retain all payments already made in terms hereof by you as lease charges towards the usage of the asset and claim as liquidated damages, payment of the difference between the balance outstanding and the market value of the asset determined by the credit provider which amount shall be immediately due and payable.
- 11.3 If we elect to enforce the Agreement, a notice will be sent to you, which will set out: -

- 11.3.1 The details of your default;
- 11.3.2 The period within which we require you to rectify the default; and
- 11.3.3 If, due to your fault We repossesses the leased asset and sells it, and the net proceeds are insufficient to settle all your obligations under the Agreement, you will be liable for any outstanding balance plus our reasonable costs incurred in connection with the sale of the asset or any other action in we may take to recover any outstanding sums owed by you. You shall also be charged interest on the balance of the principle sum that remains outstanding, calculated from the date of demand till the date of final payment (interest on the principle sum continues to accrue even after a demand for full or partial settlement is made by us to you). If there is a credit due to you after the asset has been sold and all outstanding amounts and any reasonable costs incurred have been deducted, this amount will be paid to you.
- 11.4 Should we elect to terminate this Agreement pursuant to any breach of your obligations in terms of this Agreement, any monies received in towards your loan will be applied to amounts outstanding with priority as set out in Clause 8.2 herein.

11.5 Before termination of the Agreement, you are entitled to reinstate the Agreement in respect of which you are in default, by paying all overdue amounts, as well as any reasonable costs we may have incurred in relation to enforcing our rights under this Agreement up to the time of reinstatement.

## **12 Total Loss of the Asset**

12.1 If the asset is damaged, lost or stolen, you must immediately advise us in writing, and lodge an insurance claim with the insurer of the asset within the time stipulated by the insurer and in accordance with procedures set by the insurer.

12.2 If the asset: -

12.2.1 Shall be repaired or replaced by the insurer, you shall continue to service your loan facility under this agreement, inclusive of the duration when you shall not have use of the asset. In the case of replacement, the replacement asset shall be registered as property of the Government of the Republic of Zambia or PSMFC, as the case may be, and shall be held as security for this loan facility until it is settled in full.

12.2.2 Shall not be repaired or replaced by the insurer then this Agreement will terminate, and we shall demand full payment of failing which we may institute proceedings against you in terms of clause 9 herein.

12.3 Where the insurer pays any monies towards the replacement of the asset/sthe funds shall be applied to settling any outstanding balances on your loan. Should there be any monies left after settling any outstanding balances on your loan account, such monies shall be paid to you. Under these circumstances, where this is a motor vehicle loan, you shall be entitled to access the Public Service Motor Vehicle Loan Scheme upon settlement of the account in relation to the previously insured vehicle.

## **13 Appropriation and set off**

13.1 We may at any time, before or after termination of this Agreement, in our discretion, appropriate or re appropriate any monies received from you or set off any amounts realized from you or set off any amounts realized from the sale of the asset should it be repossessed, towards the reduction of any amounts owed by you to us whether in terms of this agreement or otherwise. You specifically waive your right to name the debt to which any payment shall be applied.

## **14 Cession and Assignment**

14.1 Unless otherwise agreed, you may not transfer any of your rights and/or obligations to a third party.

14.2 We may without notice to you, transfer any of our rights and/or obligations to a third party and you agree that you will recognize the transferee's rights.

## **15 Costs and Fees**

15.1 All costs relating to initiation and administration of your account shall be included in the interest rate charged on this Agreement.

15.2 You will be liable for the default administration and collection costs arising from your failure to comply with any of the terms and conditions of this Agreement and for all legal costs and collection commission on all payments made by you if the matter is referred to an external debt collection company or attorney. Default administration costs determined by the credit provider will be charged for every letter that we address to you. You therefore agree to reimburse, indemnify or make good any loss, damage or costs that we may incur or suffer should we have to enforce this Agreement in any manner including but not limited to engaging lawyers or debt collectors and commencing court proceedings or any other form of dispute resolution.

## **16 Addresses**

16.1 You agree that the postal and or email address that you have provided on this Agreement is the address where we must send all post and other communication to you, and that such communications will be binding on you.

16.2 You agree that the physical address that you have provided on this Agreement is the address that you have selected as the address where we must send all legal notices to you.

16.3 You must let us know, in writing, by hand delivery or registered mail, of any change in either your residential/business address or your email address and telephone number. If you fail to give notice of change of address, we may use the last address we have in our records.

16.4 You accept that you will be deemed to have received a notice or letter seven (7) working days after we have posted it to either of the addresses you have given.

## **17 Joint Applications**

17.1 You agree that any differences which may arise between Joint Applicants shall not in any way affect the Credit Provider's right to recover in full all the monies due, or any other rights, under the terms of this agreement.

## **18 Full financing**

18.1 You agree that PSMFC shall levy an appropriate charge to meet its administrative costs and that you are responsible for meeting the insurance cost and all other running costs of the asset.

## **19 Tracking Devices**

19.1 If you decide to fit any tracking device on the purchased asset, you need to get written consent from us and you agree that we may contact the tracking company in order to obtain information to locate the asset.

19.2 You indemnify and hold us and/or the tracking company and/or any third party harmless against claims, costs, damages or loss of whatsoever nature and howsoever arising relating: 19.2.1 To the activation or the removal of the tracking device; and/or 19.2.2 Any information obtained from the tracking company.

## **20 Payment for Asset**

20.1 We shall not accept an advance payment, a deposit or full payment in respect of the asset made in cash. All such payments shall be made by transfer to a bank account advised by us in writing. However, bank transfers from third parties other than yourself shall not be accepted.

20.2 Any payment, advance or full, in respect of the asset to be acquired under this Agreement made directly to a Supplier shall not be accepted or acknowledged by us.

20.3 Any payment of any amount forming part of the loan amount in respect of this Agreement shall be made by PSMFC directly to a Supplier and not to the borrower although it shall be recognised as a loan to the borrower.

## **21 Usage of Asset**

21.1 Usage of the asset acquired under this Scheme shall be in accordance with Circulars issued by the Secretary to the Cabinet from time to time.

## **22 General**

22.1 If we have not strictly enforced the terms and conditions of this Agreement at any time, you may not assume that the terms and conditions have been waived or altered. These terms and conditions will still apply, and we will have the right to enforce the terms and conditions at any time.

22.2 An annual statement of account shall be issued and sent to your address as advised in the Application Form or by yourself subsequent to you obtaining this loan. In case you require a statement in addition to the annual statement, the statement of account can also be requested from our offices, but this will be issued at a fee which shall be determined at the sole discretion of the company.

22.3 The loan facility shall be used to purchase a brand-new asset (s) from Suppliers as shall be advised by PSMFC from time to time.

## **23 Acknowledgments and Confirmations**

23.1 By signing this Agreement you acknowledge and confirm that: -

- 23.1.1 You are not subject to disciplinary proceedings by your employer;
- 23.1.2 You are not subject to litigation or an order of a competent court holding you to be bankrupt or insolvent;
- 23.1.3 You are not subject to an order of a competent court holding you to be mentally unfit;
- 23.1.4 We may provide a credit rating agency with any of your personal information and data in connection with your application for finance, the commencement and termination of this Agreement and any related matters;
- 23.1.5 We may submit any information as to how you conduct your account to any credit rating agency of our choice, which may use this information to create a credit profile and/or a credit score on you. If you do not conduct your account in accordance with this Agreement, this may adversely affect your future credit worthiness. You have the right to have your credit record disclosed and you may challenge any incorrect information and have the information corrected;
- 23.1.6 If you are unable to contact the credit rating agency that we opt to use due to any change in its contact details, you may contact us for assistance;
- 23.1.7 We may provide a settlement value to any third party to whom you may wish to sell the asset and to any governmental agency that may request same.
- 23.1.8 This Agreement has been explained to you and you understand and appreciate the costs, risks and obligations associated herewith;
- 23.1.9 You have received a copy of the Agreement;
- 23.1.10 In the event of any dispute arising from this Agreement, and the parties are unable to resolve such dispute by means of co-operation or discussion between them, such dispute may at our discretion be referred to a single arbitrator chosen by the parties or otherwise two arbitrators to be appointed by each party who shall appoint a Chairperson and in either case in accordance with the provisions of the Arbitration Act No.19 of 2000 of the Laws of Zambia for any statutory modification or re-enactment there for the time being in force. The Arbitral award shall be final between the parties;
- 23.1.11 Any claim which arises out of this Agreement may be recovered in any competent Court having jurisdiction over you and you hereby consent to the jurisdiction of such competent Court.
- 23.1.12 The Credit Provider may make enquiries from any Bank, Financial Institution or approved Credit Reference Bureau in Zambia to confirm any information you have provided when considering this application.
- 23.1.13 In the event of any default in repayment, unless the amount in default is fully repaid before the expiry of sixty (60) days from the date such default occurred, we shall be at liberty to notify the Credit Reference Bureau and the borrower shall be liable to have the account data retained by the Credit Reference Bureau until the expiry of seven (7) years from the date of final settlement of the amount in default. However, the credit provider retains its rights to enforce payment of the unpaid loan amount in full or in part, together with the accrued interest. For the purpose of this Clause and any Party that may be appointed by the Credit Provider to collect its debts, I waive the confidentiality requirements of the Banking and Financial Services (Microfinance) Regulations, 2006.
- 23.1.14 Upon termination of the account by full repayment and on condition that there has not been, within seven (7) years immediately before account termination, any material default on the account, the borrower will have the right to instruct the credit provider, and the credit provider shall oblige, to make a request to the Credit Reference Bureau to delete from its data any account data detailing to the termination account.
- 23.1.15 You are free to be informed, upon request about which items of data are routinely so disclosed and to be provided with further information to enable the making of a data access and correction request to the relevant Credit Reference Bureau or Debt Collection Agency.

23.1.16 You make an irrevocable personal undertaking to pay the balance of the loan together with accrued interest in the event of being terminated from my employer's payroll on account of my resignation, dismissal or other event not covered by insurance;

23.2 In pursuance of the conditions under which this loan was granted, you hereby irrevocably authorize the Credit Provider, acting on its own or through its agents, to communicate your obligation to pay to your employer, and authorize your employer to deduct such amount as indicated by the credit provider from your salary and remit the amount so deducted to the credit provider until the loan amount with accrued interest is fully paid; In case of unforeseen incidents, other than those in "Clause 18.1.15" that may disrupt loan recoveries through payroll deductions, You hereby authorize your employer to make recoveries from your terminal benefits and/or gratuity to settle this loan facility in full, or as far as funds due to you permit.

I \_\_\_\_\_ (full name) hereby certify that I have read the information contained in this Agreement and fully understand the implication thereof and that I do accept to abide by them.

.....  
First Applicant's Signature

Date \_\_\_\_\_

I \_\_\_\_\_ (full name) hereby certify that I have read the information contained in this Agreement and fully understand the implication thereof and that I do accept to abide by them.

.....  
Second Applicant's Signature

Date \_\_\_\_\_

I \_\_\_\_\_ (full name) hereby certify that I have read the information contained in this Agreement and fully understand the implication thereof and that I do accept to abide by them.

.....  
Third Applicant's Signature

Date \_\_\_\_\_

I \_\_\_\_\_ (full name) hereby certify that I have read the information contained in this Agreement and fully understand the implication thereof and that I do accept to abide by them.

.....  
Fourth Applicant's Signature

Date \_\_\_\_\_