

THE SCHEDULE
FORM 1
MONEYLENDERS ACT
(CHAPTER 188)

Rule 10

Moneylenders
(Amendment)
Rules 2012

FORM OF NOTE OF CONTRACT

Loan Account No.: _____

NOTE OF CONTRACT
MONEYLENDERS ACT(CHAPTER 188)

IMPORTANT INFORMATION FOR BORROWER AND SURETY OR THEIR AGENTS

- (1) This loan is subject to the **Moneylenders Act** and its Rules.
- (2) For an unsecured loan granted to an individual whose annual income is less than \$30,000, the effective interest rate for the loan must not exceed 20% per annum.
- (3) For a secured loan granted to an individual whose annual income is less than \$30,000, the effective interest rate for the loan must not exceed 13% per annum.
- (4) The moneylender or his agent must inform you **of** the terms and conditions **of** the loan in writing before the loan is granted.
- (5) If you do not understand English, the moneylender or his agent is required to explain to you the terms **of** this **Note of Contract** in a language which you understand, before this **Note of Contract** is signed by you.
- (6) The moneylender must attach to this **Note of Contract** a schedule **of** repayment (if the loan is a term loan), which must include the frequency **of** the instalment payments if there is no default, the amount **of** each instalment payment, a breakdown **of** the amounts that go to repaying principal and paying interest, and the total number **of** instalments, and the total amount the borrower will pay over the entire term **of** the loan if there is no default. The moneylender or his agent must explain the schedule clearly to you.
- (7) Except where the repayment **of** the loan is to be made in equal instalments and at equal intervals **of** time, the interest to be charged on the loan is to be calculated on a reducing balance basis.
- (8) The borrower is advised to repay the principal and interest due to the moneylender promptly on such date as agreed upon between you and the moneylender to avoid having to incur late interest and late fees.
- (9) The moneylender must, upon receiving any cash payment under the loan, issue to the payer a receipt stating, among other things, the amount paid and the date of payment. Such payment may include repayment **of** principal, payment **of** interest or late interest, and payment **of** late fees or other fees.
- (10) A copy **of** this **Note of Contract** duly completed, together with the repayment schedule (if any), must be given to you.
- (11) Please do not sign or accept this **Note of Contract** if any part **of** it is not properly filled in.

I. To be completed by moneylender

Business name **of** moneylender: _____
Business address: _____
Licence number: _____
Name **of** borrower: _____
Personal identification number
or incorporation or registration number
(whichever is applicable): _____
Name **of** surety(ies): _____
Personal identification number
or incorporation or registration number
(whichever is applicable): _____

Particulars **of** loan

- (a) Date **of** loan (dd/mm/yyyy): _____
(b) Loan account no.: _____
(c) Mode **of** loan disbursement: _____
☐ Cash ☐ Interbank transfer ☐ Cheque —

Date **of** cheque _____
Cheque no. and Bank _____

- (d) Principal \$ _____
(e) Effective interest rate per annum† _____ %
(f) Effective rate **of** late interest (per annum) _____ %
(g) Details **of** security (if any)

†The effective interest rate per annum reflects the true borrowing cost over a one year period, as it factors in the compounding effect **of** the frequency **of** the interest payments.

II To be completed by borrower(s)

I/We*, the borrower(s), desire to borrow from the moneylender the sum **of** \$_____ (hereinafter called "the principal") and promise to repay to the moneylender the principal with interest thereon at the effective interest rate **of** ____ percent per annum from the date hereof until the principal and interest are fully repaid.

I/We*, the borrower(s) acknowledge receiving the principal **of** \$ _____, from the moneylender/moneylender's agent*.

If the borrower or his agent does not understand English:

I/We* acknowledge that the moneylender/moneylender's agent* has explained to me/us* the terms **of** this **Note of Contract**, including the "Important Information" and any schedule of repayment attached, and the acknowledgements above, in _____ (a language/dialect) which I/we* understand.

Signature **of** borrower(s)/
borrower's agent*

Date: _____

Signature **of** moneylender/
moneylender's agent*

Date: _____

III To be completed by surety(ies)

I/We*, the surety(ies), acknowledge that the moneylender has agreed to grant to the borrower a loan of \$_____ (hereinafter called "the principal") in accordance with the terms and conditions of this **Note of Contract**. I/we* jointly and severally agree that, if default is made by the borrower in repayment of the principal or in payment of the interest or permitted fees thereon (including any part of such principal interest or fees), I/we* shall pay to the moneylender such principal, interest and fees as remains unpaid.

If the Surety(ies) or his or their agent(s) does not or do not understand English:

I/We* further acknowledge that the moneylender/moneylender's agent* has explained to me/us* the terms **of** this **Note of Contract**, including the "Important Information", in _____ (a language/dialect) which I/we* understand.

Signature **of** surety(ies)/agent(s)
of surety(ies)*

Date: _____

Signature **of** moneylender/
moneylender's agent*

Date: _____

IV To be completed by borrower(s) and surety(ies)

We, the borrower(s) and surety(ies), further acknowledge that we received a copy **of** this **Note of Contract**, including the schedule of repayment (if any), after it had been signed by us/our agent(s)* and by the moneylender/moneylender's agent*, and before/at the time* the principal was disbursed to the borrower or his agent.

If the borrower(s) or surety(ies) or his/their agents does not or do not understand English:

I/We* further acknowledge that the moneylender/moneylender's agent* has explained to me/us* this acknowledgment **of** receipt **of** the **Note of Contract** in _____ (a language/dialect) which I/we* understand.

Signature **of** borrower/borrower's agent*

Date: _____

Signature **of** surety(ies)/agent of surety(ies)*

Date: _____