

# SME Credit Application & Agreement

**POWER LOANS**

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**Kongalend Financial Services (Pty) Ltd.**

Cnr Haddy and Viljoen Street, Windhoek West

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Reg. 2007/590 NAMFISA Reg. No. 25/11/356

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## 1. GENERAL INFORMATION

Please make sure you have read and understood the following information before completing the credit application.

### (a) QUALIFYING CRITERIA

Small businesses applying should be owner-driven, operate full-time from fixed premises, employ at least one other worker and have a recognised form of legal status.

### (b) REQUIRED DOCUMENTATION

- (i) Certified copy of Namibian ID or valid passport.
- (ii) **If married**, certified copy of marriage certificate and spouse's ID.
- (iii) Bank statements reflecting the last six months for both the business and members.
- (iv) If loan is required for the purchase of equipment, valid quotation(s) from a supplier must be attached.
- (v) Six-months financial statement
- (vi) Close corporations should submit details of all members.
- (vii) Business plan, including promoter profile addressing, among others, the following:
  - Reasons for owning/managing business;
  - Experience, knowledge, skills and expertise relevant to the business;
  - Obstacle(s) to progress, other than access to finance, and how these are being addressed;
  - SWOT analysis (strengths/weaknesses/opportunities/threats;
  - Profiles of key personnel;
  - Timeline for project implementation;
  - Number of people employed/to be employed; and
  - Any other relevant information to motivate your application.
- (viii) Monthly operating budgets and cash flow projections for at least 12 months.
- (ix) Capital expenditure budget for the next two years.
- (x) Personal balance sheet for the owner of the business.
- (xi) Copies of founding statement/company registration documents.
- (xi) Resolution authorising the applicant, as its representative, to sign on behalf of the company.

#### EXISTING BUSINESSES SHOULD SUBMIT

- (i) Annual financial statements for at least a year (if available)
- (ii) Latest management accounts comprising income statement and balance sheet.

### (c) CREDIT REPAYMENT

- (i) Instalment: Monthly
- (ii) Method of payment: Debit order / Cession of Income Agreement

Please complete sections 1-10 of the application form and make sure you have read and signed the Standard Terms & Conditions on page 8 of this form.

Completion of the application form in full is **COMPULSORY**. Failure to complete any section of the form will render the application invalid. The application must be submitted on this original form. No faxes will be accepted.

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#### How did you find out about Kongalend POWER LOANS?

Please tick one of the following:

Radio ☐ Press ☐ Word-of-mouth ☐ Agent ☐ Other ☐ If other, please specify .....

## 2. SME LOAN APPLICATION FORM

### 2.1 BUSINESS DETAILS

Name of business									
Contact person									
Physical address									
Postal address		Region							
Telephone		Fax							
Cell		E-mail							
BUSINESS TYPE (please tick appropriate box and provide registration no. where required)									
Sole proprietor	<input type="checkbox"/>	Close Corporation	<input type="checkbox"/>	Registration No.	Company	<input type="checkbox"/>	Registration No.	Partnership	<input type="checkbox"/>
Statutory registrations (only if applicable to your business)									
Income Tax	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	VAT	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
PAYE	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO	Social Security Commission	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
Other (please state)									
How long has the business been in operation?									
Has the business ever reached a compromise with creditors?									
If YES, full details should accompany this application									
BUSINESS SECTOR (please tick appropriate box(es))									
Arts and craft	<input type="checkbox"/>	Contract services	<input type="checkbox"/>	Information technology	<input type="checkbox"/>	Tourism (community-based)	<input type="checkbox"/>		
Agriculture/Agro-industry	<input type="checkbox"/>	Construction	<input type="checkbox"/>	Leatherwork	<input type="checkbox"/>	Transport	<input type="checkbox"/>		
Automotive	<input type="checkbox"/>	Food processing & retail	<input type="checkbox"/>	Manufacturing & light industry	<input type="checkbox"/>	Upholstery	<input type="checkbox"/>		
Carpentry	<input type="checkbox"/>	Energy (renewable)	<input type="checkbox"/>	Textile & garment manufacturing	<input type="checkbox"/>	Woodwork	<input type="checkbox"/>		
Other (please state)									

### 2.2 PERSONAL DETAILS (please tick where applicable)

Surname				First name(s)		
Identity number				Date of birth		
Residential address						
Postal address						
Telephone				Fax		
Cell				E-mail		
Highest educational, technical, professional qualifications						
Are you registered with any professional bodies? If yes, please state						
Current employment/position				N\$		
Current monthly income				N\$		
Expected monthly income				NS		
Work history, if you were or are currently employed						
Date(s)	Employer			Position and responsibilities		
to						
to						
to						
Marital status	SINGLE	MARRIED in community of property <input type="checkbox"/> out of community of property <input type="checkbox"/>			DIVORCED	WIDOW(ER)
Sex	MALE	FEMALE				
Number of dependants						
DETAILS OF SPOUSE						
Surname				First name(s)		
Identity number:						
Signature of spouse (if married in community of property):						
SOLVENCY STATUS						
Insolvent	YES	NO				
Garnishee order	YES	NO				
Under legal administration	YES	NO				
PERSONAL BANKING DETAILS						
Bank			Account number			
Branch			Branch code			

**3. REASON FOR APPLICATION** *(please tick appropriate box)*

Starting a new business	
Expansion of an existing business	
Tender/Contract servicing	
Other <i>(please specify)</i>	
Loan amount applied for	N\$

**UTILISATION OF FINANCE**

Land & buildings	N\$
Plant & machinery	N\$
Equipment	N\$
Furniture, fixtures & fittings	N\$
Stock	N\$
Operating expenses	N\$
Other	N\$

Why do you require finance?

**DETAILS OF EMPLOYMENT**

How many people are currently employed?	How many people will be employed in future?
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**4. BUSINESS BANKING DETAILS** *(if you have a business account)*

Bank		Account number	
Branch		Branch code	
Contact person		Telephone	
Overdraft limit		Other facilities	
Security			

**5. TRADE REFERENCES** *(if applicable)*

Name	Relationship	Contact telephone
1.		
2.		
3.		
4.		

**6. DETAILS OF PREMISES**What type of premises does the business operate from? *(Please tick which applicable)* Owned ☐ Leased ☐ If leased, please fill in details below

Name of Landlord			
Postal address	Region		
Physical address			
Contact person			
Telephone	Cell		
Monthly rental	Fax		

**7. DETAILS OF ADVISORS AND SERVICE PROVIDERS** *(applicable to your business)***ACCOUNTANT/BOOKKEEPER**

Telephone	Fax	
Postal address	Contact person	
Physical address		

**AUDITOR/ACCOUNTANT**

Telephone	Fax	
Postal address	Contact person	
Physical address		

**INSURANCE BROKER**

Telephone	Fax	
Postal address	Contact person	
Physical address		

## 8. PERSONAL STATEMENT OF ASSETS AND LIABILITIES

### 8.1 ASSETS

#### Fixed property (land & buildings registered in your name)

Physical address	Date purchased	Cost N\$	Municipal value N\$	Market value N\$

#### Moveable assets: vehicles, etc. (insured value)

Year	Make	Model	Cost N\$	Current value N\$

#### Life assurance policies

Company	Policy no.	Date issued	Beneficiary	Life cover	Disability cover	Surrender value N\$

#### Cash investments (cash, money, fixed deposits, etc)

Bank	Branch	Account no.	Account type	Amount N\$

#### Other assets (please specify)

Description	Value N\$
<b>TOTAL ASSETS</b>	<b>N\$</b>

### 8.2 LIABILITIES

#### Mortgage bonds on fixed property

Property	Bondholder	Monthly payment N\$	Registered bond amount N\$	Balance N\$

#### Asset finance (motor vehicles, etc.)

Asset financed	Financier	Monthly payment N\$	Original loan N\$	Balance N\$

#### Household furniture and appliances (Instalment sales and leases)

Asset financed	Financier	Monthly payment N\$	Original loan N\$	Balance N\$

#### Personal loans and overdrafts (details of lender, security given and account number)

Loan type	Lender	Security	Balance N\$

#### Loans taken against life assurance policies

Date taken	Policy number	Monthly payment N\$	Term of loan	Original loan N\$	Balance N\$

**TOTAL LIABILITIES** N\$

**NET WORTH (Assets less Liabilities)** N\$

### 8.3 CONTINGENT LIABILITIES AND CREDIT HISTORY

Have you ever been summoned or had a judgement taken against you or business?	YES	NO
Details		
Have you ever been sequestrated?	YES	NO
Details		
If so, have you been rehabilitated?	YES	NO
Date of rehabilitation		

### 9. INSURANCE

9.1 I have been informed that I have a free choice in respect of the registered insurer and the registered insurance agent through whom I can apply for a credit life insurance policy to be taken out as security on the repayment of the credit extended to me/my business.

**Please tick the appropriate section:**

9.2 ☐ I do not have any preference in terms of 9.1 above and hereby authorise Kongalend Financial Services (Pty) Ltd to arrange a suitable long-term insurance policy with the insurer of its choice, currently Hollard Life Namibia Limited..

9.3 ☐ I wish to cede the following policy to Kongalend as security for the credit extended to me:  
Policy issued by ..... policy no..... surrender value N\$..... (must cover the loan amount and equal cover as the policy provided by Hollard Life Namibia Limited.

9.4 All benefits will be paid in accordance with the terms and conditions of the Master Policy, details of which are available on request. This application and the Master Policy will form the basis of the insurance contract between the applicant and Hollard Life Namibia Ltd.

I declare that all sections of the Master Policy were effected by me voluntarily and that it has not been made a condition of granting the loan as I have been offered the choice of alternative insurance arrangements through my own Intermediary and/or Company.

### 9.5 APPLICATION FOR CREDIT LIFE INSURANCE

Cover: Death (any cause) & Permanent Disability (Lump Sum)  
Temporary Disablement (Payment of the monthly instalment up to a maximum of 12 months)  
Retrenchment Cover (Payment of monthly instalments up to a maximum of 6 months)

Original sum insured: N\$ .....

Maximum entry age: 60 years All cover ceases at age 65.

I understand that the original sum insured by Hollard Life Namibia Limited under this section of the policy will decrease over the period of the loan and will lapse at the end of the policy term.

I, the life insured, also understand, agree and where applicable declare that I have not received any treatment from any Medical Practitioner during the past two years or been hospitalised or undergone hospital treatment or specialist investigation as a result of any form of disability or heart attack or heart disease, raised cholesterol, high blood pressure, stroke, cancer, kidney disease, diabetes, muscular-skeletal disorders, impaired vision, nervous disorder or AIDS-related condition.

I am not aware of any decisions reached or proceedings, which may lead to the termination of my employment.

If the above declaration cannot be made without qualification, please provide the name(s) of doctor(s) and/or full details of hospitals, duration of treatment(s), tests and extent of recovery, or the most recent level of warning received, the nature and degree of misconduct and the date thereof.

.....

.....

.....

.....

.....

I declare that I have the legal contractual capacity to enter into contracts and that I have read and understand all the above and the implications thereof. I also declare that all the information provided is true.

Signed: ..... Date: .....

## 10. DEBIT ORDER AUTHORISATION

Details of my/our applicable account are as follows:

Account name		Bank	
Account number		Branch	
Type of account		Branch code	
Debit order date			

N.B. Please attach a cancelled cheque or a bank statement.

- (a) I the undersigned hereby irrevocably authorise Kongalend to levy debits in *rem suam* against the bank account mentioned above at the above-named bank in respect of all amounts which are now or may from time to time in the future be due and payable by ..... (name of company), in terms of all agreements already entered into or still to be entered into by the company in terms of which it is or will be the debtor and Kongalend is at present or will in the future be legal holder, whether as lender or cessionary.
- (b) I/we hereby likewise authorise the above-named bank to accept all debits levied by Kongalend in terms of this authorisation and to debit the above-mentioned account and to regard such debits as if given and signed by me personally on behalf of the company.
- (c) I/we undertake to pay any costs, which may result from this debit order instruction.
- (d) This debit order will remain in force until full settlement of the credit amount is made with Kongalend.
- (e) I/we hereby indemnify the lender against any interest, costs or other damages arising from refusal by our bank to accept a debit levied in terms of this instruction.

Thus done and signed at ..... on this ..... day of ..... 20....

.....  
Authorising Signature

.....  
Assisted by (where legally required)

Bank confirmation of account information

Official stamp

Date

## DECLARATION BY APPLICANT

I HEREBY DECLARE THAT THE INFORMATION PROVIDED IN THIS APPLICATION FORM, UNDER SECTIONS 1-10 IS TRUE AND THAT ANY INCORRECT DECLARATION EMPOWERS KONGALEND NOT TO CONSIDER MY APPLICATION.

This application and the underlying conditions spelt out under Section 11: Standard Terms & Conditions together with the Credit Approval Confirmation, which forms Annexure "B" of this agreement (which is issued to successful applicants after approval of credit), constitute an agreement between the applicant/Borrower and Kongalend/Lender.

This Agreement constitutes the whole agreement between the parties, and any amendments or additions must be in writing and signed by the parties.

Kongalend is authorised to do a Credit Bureau enquiry if necessary in order to enable it to evaluate this application. If this application is approved, Kongalend is also entitled to provide details of the manner in which I conduct my account to the Credit Bureau(x).

SIGNED at ..... on this ..... day of ..... 20.... in the presence of the undersigned witnesses:

.....  
Borrower

.....  
Kongalend

.....  
Witness

.....  
Witness

1. **DEFINITIONS**

"Administration fee" – includes all charges and costs, excluding finance charges, to be levied by the Lender.

"Application" – the application form, including the Loan Approval Form.

"Borrower" – the applicant in terms of the Application with whom the Lender concludes the loan agreement.

"Interest Rate" – the interest rate levied by the Lender which is set at prime plus three (3) percent, as amended from time to time.

"Lender" – Kongalend Financial Services (Pty) Ltd.

"Loan Agreement" – the agreement coming into effect on the written acceptance of the Application, which shall consist of the Application, these Standard Terms and Conditions and Life Assurance provisions, together with the Approval.

"Loan Amount" – the total amount indebted by the Borrower to the Lender, including the amount paid to a supplier on behalf of the Borrower, together with interest charges, life cover, credit guarantee cover and other statutory charges as stipulated in the Loan Approval Form.

"Loan Approval Form" – the written notice whereby the Lender notifies the Borrower of the approval of his/her Application.

"Policy" – the death, lump sum total and permanent disability, temporary total disability and personal catastrophe, retrenchment and HIV cover, providing decreasing term insurance for the settlement of the Loan Amount, excluding arrears, as more fully described in the master policy documents.

"Prime Rate" – the prime lending rate.

"Usury Act" – the Usury Act (Act No. 73 of 1968) as amended together with regulations issued in terms thereof

"NAMFISA Levy" – Government Notice No. 78 of 1 April 2003.

"Nominated day" – the day on which the Borrower agrees for the loan instalment to be deducted from his/her account on a monthly basis.

"Postage fee" – Government Gazette 2782 Part II Point 8 (5) as amended from time to time.

"Statement fee" – Government Gazette 32668 (5).

"Unpaid debit order/cheque fee" – NS20.00 will be levied when debit orders are returned unpaid (not provided for).

"Revenue stamps" – item 14 of schedule 1 of the Stamp Duty Act (Act. No. 15 of 1993). N\$5.00.

2. **THE LOAN**

(a) The Lender hereby lends to the Borrower the Loan Amount, subject to the terms and conditions set out in the Loan Agreement, The Loan Amount will be paid after approval of the application and the completion of any required securities. Pay out of the loan will be subject to a cooling off period of three (3) working days as stipulated in the Usury Act.

(b) The Borrower undertakes to repay the Loan Amount, together with the interest and charges thereon in instalments as stipulated in the Loan Approval Form.

(c) The Borrower declares that he/she is legally and unconditionally indebted to the Lender for the Loan Amount as well as the interest and charges stipulated in the Loan Approval Form.

3. **INTEREST, TERMS AND FEES**

(a) The Loan Amount outstanding shall attract interest at a rate as specified in the Loan Approval Form, calculated on the daily balance and capitalized monthly in arrears at a rate determined by the Lender. The Lender reserves the right to increase/decrease the interest rate at any time should the prime rate change. This rate will always be within the limit of the Usury Act as amended from time to time.

(b) If the Borrower fails to pay the first instalment on due date for payment and such failure is due to his/her failure to ensure adequate funds are available in his/her account, the Lender shall be entitled to recover the amount or the unpaid instalment plus interest thereon, from the Borrower by automatically extending the repayment period accordingly to enable the Borrower to continue with his/her monthly repayments until the debt has been settled.

(c) Interest will accrue on all overdue amounts in terms of the provisions of the Usury Act as applicable from time to time.

(d) The period of the repayment instruction will automatically be extended to cover all arrear amounts to be repaid on a monthly basis until such time that the full debt has been repaid provided that the repayment period shall not exceed 60 months after the date on which the loan has been advanced to the Borrower.

(e) The Borrower acknowledges that over and above the costs referred to in the Loan Agreement, the Lender will also be entitled to recover a once-off transaction fee from the Borrower, which shall not exceed 4.6 percent (VAT included) of the amount advanced.

4. **REPAYMENTS**

(a) The Loan Amount shall be repaid monthly as stipulated in the Loan Approval Form. The first instalment shall be payable on the nominated day (following the date on which the Loan Amount was granted) and all further instalments shall be payable on the same day of each and every subsequent month, until the Loan Amount, including all interest and other applicable charges, has been settled in full.

(b) The Borrower hereby authorises and unconditionally consents to the Lender executing a debit order instruction in its favour which shall remain in force until the Loan Amount, finance charges, fees, and costs in respect of the loan are recovered in full, which debit order instruction shall be activated by the Lender.

(c) All payments in terms hereof shall be made to the address of the Lender as stated in item 5 of the Loan Agreement or by way of debit order or electronic funds transfer system.

5. **EFTS (Electronic Funds Transfer System)**

(a) The Lender is irrevocably authorised to charge debits against the Borrower's account specified in the Application, in accordance with the applicable repayment arrangement, which authority will also be applicable against any future bank or branch to which the Borrower may move his/her account

6. **DEFAULT AND ACCELERATION**

(a) If the Borrower fails to comply with the terms and conditions of this Agreement strictly or assign his/her estate in favour of his/her creditors, or enters into a compromise

(b) In the event of any default, the Lender is hereby entitled to furnish the name of the Borrower to a credit bureau as a delinquent debtor in terms of the Usury Act

(a) A certificate signed by any competent officer of the Lender shall be *prima facie* evidence of the interest rate applied, and the amount owing in terms hereof for purposes of judgement, including provisional sentence or summary judgement and evidence of claims against insolvent and deceased estates or otherwise. Proof of the appointment or competency of the signatory shall not be required in such a certificate.

(b) The Borrower consents to the jurisdiction of the Magistrate's Court in respect of any action instituted against him/her by reason hereof, irrespective of the amount of such action of the value of any security involved, Notwithstanding the foregoing, the Lender shall nevertheless have the right to institute proceedings in any other court, In which case costs shall be calculated at the scale of fees of such other court.

(c) The Borrower shall be liable for all collection and tracing costs and commissions and legal costs incurred in enforcing payment of any amount owing hereunder, including costs or, attorney-and-own client scale, subject to any limitation imposed by the Usury Act

(a) The effective date of this agreement shall be deemed to be the commencement date of the loan. The Loan Amount shall not be paid until the expiry of three working days after approval.

(b) The parties agree that after commencement of the loan, finance charges and costs will be levied until the end of the term. Should the Borrower wish to settle the loan account earlier and the Lender accepts early redemption, the following will apply:

a cancellation charge of N\$500.00 (five hundred Namibia Dollars) will be levied and debited to the account. Where the Usury Act is applicable, the Borrower shall be liable for the payment of all amounts owing only after giving 90 (ninety) days written notice to the Lender, provided that such notice is not given within 90 (ninety) from the date of the transaction. The Lender shall be entitled to recover from the Borrower all amounts envisaged in section 5 of the Usury Act or any substitution or amendment thereof.

(a) This is the sole agreement between the parties hereto and no relaxation or indulgence granted by the Lender to the Borrower shall in any respect prejudice the Lender's rights hereunder and no amendment to this agreement shall be binding unless such amendment is verified in writing by the Lender or unless such amendment is effected in accordance with the Usury Act (if applicable).

(b) No latitude, concession or condonation given by the Lender to the Borrower, shall detract from any of the Lender's rights under this loan agreement.

- (a) The Lender also requires that the Borrower takes out credit life insurance and credit guarantee cover or has the option to cede an existing policy to the Lender and nominate the Lender as beneficiary under the policy. The Lender is authorised to make payments on the Borrower's behalf and debit the Borrower's loan account accordingly in order to honour the necessary premium payments.
- (b) The Borrower hereby undertakes to ensure that equipment financed through the Loan is comprehensively insured for the life-span of the Loan.
- (c) The Borrower acknowledges that the Lender has no liability arising from any defect in any product bought with the proceeds of the loan and indemnifies the Lender against any such liabilities.

(a) The Borrower hereby waives the benefits of the legal exceptions of non-payment of a loan or plea of default of a payment, no cause of action, miscalculation, simultaneous citation and division of debt, review of accounts and no value received and hereby declares himself to be fully acquainted with the meaning thereof and of this Waiver.

SIGNED at ..... (place)

ON ..... (day, month, year)

1. ....  
Signature of Lender

1. ....  
Signature of Borrower

Witnesses:

1. ....  
Name of witness

2. ....  
Name of witness

Signature of witnesses

Signature of witnesses