

MONEY MASTERS SAVINGS CLUB

RULES AND REGULATIONS

Team management and leadership

The group will have a maximum of 30 members, and all members will need to fill out membership and surety declaration forms.

- Chairperson: Kwacha Makwecha
- Finance Director: Peter Kayere
- Secretary: Veronica Curtis

Member Contributions, Loans and Interests

- a. The standard acceptable seed of **MWK1,000,000.00** to be settlement within the first month of January. Due date being **5th January**
- b. Loan disbursements, and loan repayments would start on 25th of the month and ending on the 5th of the next month. Monthly loan repayment deadlines are as follows:

Table 1: Payments Deadlines

| Month | Seed | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Loan Repayments | 5 Jan | 5 Feb | 5 Mar | 5 Apr | 5 May | 5 Jun | 5 Jul | 5 Aug | 5 Sep | 5 Oct | 5 Nov | 5 Dec |

- c. Members are to express their loan requirements by 15th of the month, prior to the contribution and loaning cycle. E.g. for those people that will need to get loans between 5th Feb -5th March, booking to be made by 15th February. Emergencies are accepted but it will still be treated on first come first serve basis
- d. Loans will be given on the first come first serve basis. With an interest rate of 15 %. In the first month and 15% interest on carried over loan balances
- e. Members with an Unsatisfactory repayment history will be eligible for a limited borrowing amount unless they demonstrate improved repayment conduct.
- f. The loan repayment period shall be as below:
 - Loans below MWK500,000 to be paid within 2 Months with 15% Interest first month and 15% Interest rate on the loan balance carried in the next month.
 - Loans above MWK500,000 to be paid within a period of 3 months with 15% Interest first month and 15% interest on loan balance carried in second and third month.

- g. Any balances carried over above the stated time frames to be charged 15% interest and shall be treated as a new loan (rollover).
- h. Failure to make loan payments by 5th of every month, **MWK5,000.00** shall be charged per day till payment is made, in addition to the interest rate charged on the amount.
- i. All members are encouraged to get loans to accumulate more profits. If it happens that money is still in the group bank account after giving out loans, remaining balance will be distributed equitably to people who have not taken loans before or who have less accumulated loans. The same applies to months where no one is interested in taking loans.
- j. Treasurer will share the report on a monthly basis, by 10th of the month and address all concerns raised.

Guarantors, Surety and Sharing out

- a. All members are asked to indicate at least 1 guarantor from the group as well as an asset (with estimated value indicated) as collateral.
- b. Each member should provide a photo, and a contact number for the next of Kin
- c. A person can be a guarantor to a maximum of 2 people.
- d. When a member fails to pay back their loans, the responsibility will be transferred to the guarantor. If the guarantor member does not have adequate funds to cover, the committee will take declared collateral to recover the funds.
- e. Total duration for village savings is 11 months. The last month to give out compulsory loans is October (that will end on October 5th).
- f. Existing loan balances brought forward will still carry 15% interest charges on the reduced balance amounts. Additional loan amount should be within the individual share value. All outstanding balance loans for the year should be repaid by 5th December so as to meet the sharing deadline of 10th December
- g. Contributions plus dividends will be shared by 10th December, and it is expected that all outstanding loans will have been paid by the borrower or else covered by her surety/Guarantor. The committee will be able to share the dividends as soon as all loans are cleared.

Reporting and Treasures Account Details.

Monthly updates will be given by the finance person after 10th of the transaction month. Among other things the report will include the following:

- Total money received previous month
- Total money loaned out previous month

- List of members who will get loans (even if it means tentative compulsory lists) for the month
- List of people who are paying back loans that month
- List of people who have not paid their loans.
- All contributions and repayments should be made to group account details.

Exiting the group

The group shall run for 11 months as stated above, no member is allowed to exit the group and or withdraw their principal investment and or accrued interest before the 6 months

Members who choose to leave the group will only be given back their principal investment of **MWK1,000,000** only without any accrued interest. The principal amount will only be payable to the member at the end of the group running period

Members may be terminated from participating in the group if they continuously fail to repay loans and interest for 3 months.

- Terminated members shall pay back the group's loan balances and only be given their principal investment at the end of the group period in December.
- All members who have been terminated from the group due to non-payments shall be given 3 weeks to pay back the loan balances. Failure to pay back within 3 weeks, the loan shall be handed over to debt collectors for collection

Death of a member

- Only when a member dies, will the principal investment with the accrued interest be paid to the member's family and or next of kin indicated.
- Loan balances are to be forfeited in case of death of a member.