**THE REPUBLIC OF UGANDA**

**THE SECURITY INTEREST IN MOVABLE PROPERTY ACT, 2019**

**CHATTELS MORTGAGE**

To secure a Loan facility provided by <<Bank/mortgagee>> under a Loan Agreement dated <<Date>> under **THE SECURITY INTEREST IN MOVABLE PROPERTY ACT, 2019.**

**INSTRUMENT BY WAY OF SECURITY**

THIS MORTGAGE is made this<<Date>>**.**

**BETWEEN**

**<<Nam of the Debtor>>** ("the Grantor/Debtor”) of <<address>> of the first part;

**AND**

**<<Name of Bank>>** ("the Secured Creditor”) whose registered office is **<<Address >>** of the other part;

**WHEREAS**

1. The Grantor/Debtor(s) is the registered proprietor of the vehicle/chattelset out in the Schedule hereto (the "Property") and is authorized to mortgage the vehicle/Chattel for the purpose of securing a Loan facility from the Secured Creditor.
2. The Secured Creditor has agreed at the request of and for the benefit of **……..** to provide a **Demand Motorcycle Purchase Facility** of **UGX. <<Amount in figures>> <<Amount in words>>.** The Secured Creditor and the Grantor/Debtor have entered into a Loan Agreement dated **<<Date of the loan agreement>>**. ("the Agreement") for this purpose and it is agreed between the parties hereto that the Agreement shall be deemed integral and construed as one with this Mortgage.
3. Under the Agreement, the Grantor/Debtor(s) has agreed to provide by way of security for the repayment of all principal and interest together with costs, expenses, and commission the Chattel set out in the Schedule hereto.

**NOW THIS INSTRUMENT WITNESSETH AS FOLLOWS:**

1. **CONSIDERATION:-**
   1. **IN CONSIDERATION** of the Secured Creditor advancinga **Demand Motorcycle Purchase Facility** of **UGX. <<Amount in figures>> <<Amount in words>>.** (principal sums”) to the Grantor/Debtor(s) which the Grantor/Debtor(s) hereby acknowledges by appending his/her/their signature to these presents, the Grantor/Debtor(s) HEREBY ASSIGNS the chattel specifically described in the Schedule hereto to the Secured Creditor by way of a Mortgage to secure payment of the principal sums, which shall include interests, costs, charges, premiums, commission, and other money as detailed and incorporated in the Agreement and payable as provided in the Agreement.
   2. The Grantor/Debtor(s) guarantees that he/she/it/they have good right and full powers to assign and transfer to the Secured Creditor the Chattel hereby assigned and that they are free and clear from encumbrances other than such as are herein mentioned.
   3. The Grantor/Debtor(s) will, at his/her/its/their own cost, do and execute all such acts, deeds, matters and things for the better assigning of the Chattel hereby assigned as the Secured Creditor may from time to time reasonably require.

2. **THE GRANTOR/DEBTOR COVENANTS WITH THE SECURED CREDITOR as follows:**

**2.1 Prompt Payment of Principal Sums**

Subject to the provisions of the Agreement, to pay the principal and interest payments as set out in the Agreement;

* 1. **Settlement of all outstanding obligations in relation to the Chattel**

Not at any time while any principal and interest payments and moneys remain owing pursuant to the agreement do or allow any act or deed whereby the chattel hereby mortgaged/ assigned shall or may become prejudicially affected, and shall at all times while any moneys remain owing on this security duly pay all rents (if any) from time to time coming due in respect of any lands or premises on which the Chattel hereby assigned are for the time being situated;

**2.3 Maintenance of the Chattel in good order and condition**

At all times while any moneys herein secured remain owing to this security keep and maintain all and singular parts of the chattel hereby mortgaged/assigned in good order and condition in which they are at the date hereof and if any of the parts of the Chattel are destroyed or damaged or cease to exist, the Grantor/Debtor(s) will repair such damage or replace the Chattel so destroyed or ceasing to exist and if so required by the Secured Creditor execute any instrument that may be necessary to give the Secured Creditor security over the Chattel replacing any parts which have been destroyed or have ceased to exist

* 1. **Insurance of Chattel**

1. During the continuance of this security keep the Chattel insured against loss or damage by fire or other risks as the Secured Creditor may from time to time require to the full replacement value thereof with an insurance company approved by the Secured Creditor in the names of the Secured Creditor and will duly pay premiums and other moneys necessary for keeping the policies provided that in default of premiums the Secured Creditor may pay and claim costs on the Grantor/Debtor(s);
2. All moneys received on any insurance whatsoever in respect of loss or damage by fire or otherwise to the said chattel and their accessories or any part thereof shall as the Secured Creditor requires either be applied in making good the loss or damage or towards payment of principal and interest payments and other moneys hereby secured;
   1. **Payment of Costs, Charges and Expenses**

All costs, charges and expenses incurred hereunder by the Secured Creditor and all other moneys paid in connection with this security in respect of the mortgaged Property, all proceedings instituted or connected with obtaining payment of money hereby secured shall be recoverable so far as they are related to the liabilities of the mortgage from the Grantor/Debtor(s);

* 1. **Assignment of Chattel**

For consideration aforesaid, the Grantor/Debtor (s) as owner of the Chattel hereby assigns to the Secured Creditor the Chattel described in the schedule hereto to the Secured Creditor TO HOLD the same unto the Secured Creditor subject only to the provision herein contained;

* 1. **Non-re-location of Chattel**

As long as any money shall remain owing to this security under the Agreement, the Grantor/Debtor(s) shall not remove the Chattel or any parts thereof from their current location without the prior written consent of the Secured Creditor except for necessary repairs for which the Secured Creditor will be given prior notice and certificate of repairs issued after repairs are made.

**3. PROVIDED ALWAYS AND IT IS HEREBY MUTUALLY AGREED AND DECLARED as follows**:-

3.1 **Powers of Attorney to Receiver**

It shall be lawful for the Secured Creditor or its agents/servants to enter upon the premises in which the Chattel is or shall be and seize or take possession of the whole or any part thereof and after expiration of 14 days from the date of such seizing/taking possession to sell it either by public auction or private treaty without recourse to Court and for the purposes of this instrument the Grantor/Debtor(s) hereby appoints the Secured Creditor or any receiver as its duly constituted agent and attorney with irrevocable powers in the name and on behalf of the Grantor/Debtor(s) to execute and do any assurances, acts or things and exercise all powers of the Secured Creditor herein provided;

* 1. **Interim Possession**

That until the Grantor/Debtor(s) makes default in the payment of any of the moneys hereby secured, or in the observance or performance of any covenant or condition in the Agreement herein expressed or implied, and on her part to be observed or performed, or until the Grantor/Debtor(s) becomes bankrupt or until execution is levied against the goods of the grantor and such execution is not stayed or satisfied within ten (10) days, the Grantor/Debtor(s) may retain possession and use of the Chattel herein assigned;

* 1. **Issuance of Bill of Exchange or Promissory note by Grantor/Debtor**

That the giving by the Grantor/Debtor(s) to the Secured Creditor of any bill of exchange or promissory note for the whole or any part of the money hereby secured shall not, until such bill or promissory note is honoured or met, be considered as payments or on account of the moneys secured by this instrument or in any way affect or alter the rights or powers of the Secured Creditor by virtue of this instrument and no promissory note or bill of exchange which before, at or at any time after execution of this instrument may be given by the whole or any portion of the moneys hereby secured or the remedy thereon of the Secured Creditor or of the holder thereof shall merge in the covenants herein expressed or implied;

* 1. **Re-Assignment of Chattel to Grantor/Debtor**

That if the Grantor/Debtor(s) shall retire and pay to the Secured Creditor all principal and interest payments and moneys under and pursuant to this Mortgage and the Agreement, the Secured Creditor will request the Grantor/Debtor(s) to re-assign the Chattel to the Grantor/Debtor(s).

1. **INDEPENDENT ADVICE**
   1. The Grantor/Debtor(s) is hereby informed of her/his/its/their right to seek independent advice on the terms and conditions of the Facility transaction from an independent person, who shall include an Officer of the Government/Justice of the Peace/Advocate/Notary Public/Bank Manager/Minister of any religion authorised to celebrate marriages/licensed medical practitioner.
   2. By executing this agreement, the Grantor/Debtor(s) hereby affirms that he/she/it/they has sought Independent advice and understands the contents of the Facility agreement and all the availed Facility loan documentation and the implications thereof, both financial and legal.
2. All communication regarding this facility required to be made to the Grantor/Debtor(s) and relevant persons envisaged under **THE SECURITY INTEREST IN MOVABLE PROPERTY ACT, 2019** shall be sent to the address provided or made in a newspaper of wide circulation or other mode of communication as may be deemed appropriate.
3. **“Definitions”**

In this Mortgage except where the context otherwise requires,

**“The Agreement”** means the Agreement referred to in Clause 1 of this Mortgage.

**“The Property”** means the Chattel in the Schedule hereto, mortgaged to secure all sums under the Agreement.

**The symbol “UGX”** denotes Uganda shillings.

**The Symbol “USD”** denotes United States Dollars.

**“Principal Sums”** Includes the principal loan amounts, interest, charges, arrears and any other sums as shall be determined by the Secured Creditor.

**EXECUTED this day <<Date>> by the said:-**

**IN WITNESS WHEREOF, THE PARTIES HAVE HEREUNTO AFFIXED THEIR RESPECTIVE HANDS ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN**.

**THE COMMON SEAL OF THE SECURED CREDITOR <<Bank/Mortgagee>> IS HEREUNTO AFFIXED IN THE PRESENCE OF**

**<<Name of 1st signatory>.>**  **<<Designation>>**  **<<Signature>>.**

NAME DESIGNATION SIGNATURE

**<< Name of 2nd signatory >>** **<<Designation>>. <<Signature>>**

NAME DESIGNATION SIGNATURE

**SIGNED by the GRANTOR/DEBTOR**

**<< Name of Debtor >>**  **<<Designation>>**  **<<Signature>>**

NAME DESIGNATION SIGNATURE

In the presence of:

Name: << name>> Occupation: <<occupation>>

Address: <<address>> Signature<<signature>>

**DECLARATION**

“I/We are duly aware that should, and/or in the event that, I/we have availed the Secured Creditor false or misleading information in this matter which said information has been instrumental in the award of this facility, I/We will be guilty of intentionally providing misleading information for which the Secured Creditor, *inter alia*, shall be at liberty to secure legal sanctions against me/us in the circumstances.”

**EXECUTED this << Date >>by the said:-**

**THE COMMON SEAL OF THE SECURED CREDITOR <<Bank/ Mortgagee>> IS HEREUNTO AFFIXED IN THE PRESENCE OF**

**<<Name of 1st signatory>.>**  **<<Designation>>**  **<<Signature>>.**

NAME DESIGNATION SIGNATURE

**<< Name of 2nd signatory >>** **<<Designation>>. <<Signature>>**

NAME DESIGNATION SIGNATURE

**SIGNED by the GRANTOR/DEBTOR**

**<< Name of Debtor >>**  **<<Designation>>**  **<<Signature>>**

NAME DESIGNATION SIGNATURE

In the presence of:

Name: <<Name>> Occupation: <<Occupation>>

Address:<< Address >> Signature<< Signature>>

**SCHEDULE 1**

**PARTICULARS OF THE ASSET**

(Details of the Property)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Chattel/Vehicle type |  |  |  |  |
| Make, Model & Colour | Chassis No. | Engine No. | Reg. Number | Registered owner |
|  |  |  |  |  |

***Drawn by:***

***The Legal Department,***

***Housing Finance Bank Ltd,***

***P.O.Box 1539,***

***KAMPALA***