**THE REPUBLIC OF UGANDA**

**IN THE MATTER OF THE CONTRACTS ACT 7 OF 2010**

**FACILITY AGREEMENT**

**THIS AGREEMENT** is made this **<<Date>>**

***BETWEEN***

**<<Name of Bank>>,** a Public Limited liability Company with its principal place of business located at**<<Address>>** A financial institution duly incorporated and licensed under the laws of Uganda to carry on the business of providing financial services as a commercial bank (hereinafter referred to as ***“the Bank”***), of the *ONE PART*;

***AND***

**<<Name of Borrower>> of <<Address>>.** (hereinafter referred to as ***“the Borrower”***), of the *OTHER PART*.

**WHEREAS**

1. The Borrower has vide a loan application form/ letter dated**<<Date of loan application>>**applied to the Bank for a loanfacility.
2. The Bank has considered the application of the Borrower and agreed to extend a facility on the terms and conditions set out herein.

**NOW THEREFORE THIS AGREEMENT witnesseth as follows**:

1. **FACILITY**

The facility extended to the Borrower is a Demand **Incremental Housing Loan Facility**governed by the products features, the terms and conditions herein set out.

1. **PURPOSE**

The facility is granted for the purpose of **facilitating <<Purpose of the facility>.**

1. **FACILITY AMOUNT**

The Bank shall advance to the Borrower a facility sum of UGX **<<Amount in figures>> <<Amount in words>>** being the Loan amount.

1. **INTEREST**

The rate of interest on the facility amount shall be **<<Percentage>> p.a,** that is, the Bank’s AFD **UGX** Prime Lending Rate currently at **<<Percentage>> p.a plus a margin of <<Percentage>> variable**.

1. **FACILITY PERIOD**

The facility shall run for**<<Period of time>>,** effective from date of the first disbursement. In case of early loan repayment, the Borrower shall be required to pay the sum of all the outstanding installments and accrued interest as at the date of such repayment.

1. **LOAN REPAYMENT**

The Borrower shall pay **monthly repayment** of UGX **<<Amount in figures>> <<Amount in words>>** which shall include both principal and interest accrued from the date of disbursement. **\*For the avoidance of doubt, reference is hereby made to the *Loan Schedule* that shall by incorporation form part of this agreement and figures therein may vary based on the effective day of disbursement in the Bank’s Credit System**

1. **BORROWER’S UNDERTAKING**
   1. The Borrower hereby undertakes;
      1. To continue saving and banking with the Bank.
2. **SECURITY**

The security(ies) to be availed for the facility are:-

* 1. A *First/Further* Legal Mortgage over land and developments comprised in <<***Property description>>***
  2. A fixed and floating Debenture over the Borrower’s current and future assets of **<<Amount in figures>> <<Amount in words>>**
  3. Personal Guarantee Deeds by the Directors of the Borrower in respect of the **<<Amount in figures>> <<Amount in words>>**borrowing with interest as agreed herein.
  4. Business proceeds of the Borrower shall be channeled through the Borrower’s account held with the Bank throughout the duration of the loan facility.
  5. All Risks Insurance cover over property mortgaged with the Bank noted in the policy as a first loss payee.

1. **LOAN PROCESSING FEES**

The Borrower shall, as applicable, be required to pay the following fees payable prior to disbursement of the Loan amount:

* 1. **Statutory fees;**

1. Stamp duty of <<percentage>>of the Mortgage amount.
2. Mortgage registration fees of UGX. <<Amount >>
3. Stamp duty on registration of Personal Guarantees of UGX <<Amount >>
4. Stamp duty on registration of Debenture deed of UGX. <<Amount>>
5. Document registration (statutory declarations/deeds of assignment/loan agreements etc) at UGX. <<Amount>>per copy.
6. Bank charges of UGX. <<Amount>>
   1. **Bank fees;**
7. Application Fees of UGX. <<Amount>>
8. Establishment Fee of <<percentage>>of the Facility amount.
   1. **Other fees;**
9. Security perfection fees of UGX. <<Amount>>
   1. Any other fees per the Bank’s tariff guide may apply.
10. **OTHER TERMS AND CONDITIONS**
    1. The General Terms and Conditions for Business facilities are hereby incorporated and shall be part and parcel of this facility agreement as one document**.**
    2. Other terms specific to this facility and or product features as may from time to time be displayed at the Bank’s branches, website, and any other delivery channels shall be incorporated herein.
11. **INCORPORATION OF EXHIBITS, ANNEXES AND SCHEDULES**

The Annexes, Schedules and other attachments identified in this Agreement are incorporated herein by reference and shall form part of and be read together with this Agreement.

1. **EXTENT OF LIABILITY;**

The Bank’s liability under this transaction is limited to credit financing per the terms and conditions herein stipulated. The financing by the Bank does not in any way exclude the Borrower(s) obligation to conduct their personal due diligence and to satisfy him or herself of the primary and secondary motivations for the borrowing including but not limited to fulfillment of purpose. For the avoidance of doubt, the Bank shall not be held responsible for acts of third parties, acts of God, nature/quality of works, any workmanship, representations in title and ownership, tax liabilities directly or incidental to the transaction, among others.

1. **INDEPENDENT ADVICE**
   1. The Borrower is hereby informed of their right to seek independent advice on the terms and conditions of the loan 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 facility agreement, the Borrower hereby affirms that he/she/it has sought Independent advice and understands the contents of the facility agreement and all the availed facility documentation and the implications thereof, both financial and legal.

**IN WITNESS WHEREOF, THE PARTIES HAVE HEREUNTO AFFIXED THEIR RESPECTIVE MARK AS EVIDENCE THAT THEY HAVE UNDERSTOOD AND ACCEPTED THE TERMS;**

**THE <<BANK>>;**

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

NAME DESIGNATION SIGNATURE

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

NAME DESIGNATION SIGNATURE

**THE <<BORROWER>>;**

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

NAME DESIGNATION SIGNATURE

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

NAME DESIGNATION SIGNATURE

**<<Common Seal>>**

COMMON SEAL

**INDEPENDENT PERSON;**

**<<Name of Independent Person>>** **<< Signature>>**

NAME SIGNATURE

In the presence of:

Name: **NAME OF WITNESS** Occupation: **<<OCCUPATION>>**

Address: **<<ADDRESS>>** Signature: **<<SIGNATURE**