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Credit circular 2022/ 01

3nd March 2022

DEPOSITS OF BORROWERS

**Branch Managers should arrange to implement the following process when processing applications for credit facilities.**

1. **The prospective borrower should agree to open either a savings or a fixed deposit account at the branch at the negotiating stage.**
2. **The borrower should agree to place a deposit equivalent to 5 % of the value of the required credit facility subject to (c ) below**
3. **Meet the deposit requirement in one installment**
4. **Meet the requirement (b) above by opening a savings account (Investment or Sihina Ayojana) and building the required amount in such account in installments**
5. **The balances in the accounts opened for this purpose should be under lien to the company until repayment of facility in full**
6. **Borrower could use the deposit in place after settlement of the facility to meet the requirement of his future borrowings without withdrawing, and funding any shortfall as appropriate.**
7. **The offer letter should stipulate the above condition and followed up to ensure compliance**
8. **This process would contribute towards increasing the deposit base of the branch.**

**Please ensure compliance**

**Signed**

**Deputy General Manager**

**Business Development and Fund Mobilization**

**Signed Signed**

**Deputy General Manager CEO/ Executive Director**

**Credit and Recoveries**