



P.O.BOX 444
MUHORONI-40107

Policy Document

OSIEPE ECONOMIC EMPOWERMENT PROGRAM (OEEP_{SOLUTIONS}[®])

OEEP Solutions[®] is the flagship economic empowerment product of OSIEPE servicing as the flagship program for implementing member-based micro-credit scheme. Following OEEP paper of 2010 and OS_{PA} Constitution 1st Jan 2009 EDITION; the following will be the project implementation policy which members and the executive may review from time to time or enact a phrase to amend them according to the laid down rules/procedures of review or amendment of the organization terms of operation. The policy hereby referred to as OEEP paper is binding to every member of OSIEPE and Customers.

Membership

1. a) the OSIEPE Members and/or their spouses are allowed to join this product upon paying Kshs. 200.00 each (Two Hundred Shillings)
b) Membership is Voluntary
2. **General Requirements**
 - a) The OEEP members will be saving in form of shares every month which will be collected through nuclear and handed over to OSIEPE executive within 24 hours (one day) with clear and correct records.
 - b) Both OEEP members and non OEEP members are entitled to loans; priority will be given to the bonafide OEEP members.
 - c) Interest rates shall be 7% per annum for the OEEP members and 10% per annum for non- OEEP members. The interest will be charged at a minimum period of 12 months
 - d) A member shall be entitled to a maximum loan three (3) times of his/her shares savings as per the previous month of the application.
3. **Loan Application**
 - a) A members must have saved with the organization for at least 6 months or must have finished a grace period of 3 months from the date of his or her last loan repayment

- b) A member must fill an application form with correct and true information; incorrect information shall lead to automatic disqualification, penalty and/or any other disciplinary action.
- c) All applications must be discussed during the nuclear meetings and the form duly endorsed by the members and officials.
- d) For emergency or advance loans, a letter may be written (supporting documents attached where applicable) and addressed to the chairman. The executive shall discuss the request; if approved the request must be ratified/confirmed by the nuclear members in the next nuclear meeting.
- e) The nuclear officials will send forms duly signed and supported to the secretary.
- f) The executive shall meet every month on the 16th to discuss the application and process payments of approved loans within seven days.
- g) For emergencies the chairman will call a special executive meeting to discuss such application
- h) The executive reserves the right and authority to review applicant request and/or nuclear recommendation and give its own approval and recommendation or event reject an application

4. Requirements for Loan Application

No loan application shall be discussed at any level without the following documents

- a) A loan application form with certified fee payment receipt of Kshs. 100.00 for OEEP members and Kshs. 200.00 for non OEEP members
- b) A Pass Book (up dated) OR a Quartely share sheet
- c) National ID Card or Passport photocopy
- d) A clearance letter (in case 3a above is not met)

5. Payment

- a) The payment shall be done in cheque or cash depending on the amount to be paid
- b) No payment shall be done without a member signing a commitment letter and payment voucher,

6. Loan guarantee

- a) All loans applications must be guaranteed by bonafide members of OEEP
- b) All nucleus members upon passing/ratifying a loan will automatically be guarantor to the loan
- c) At least three or more guarantors depending on the amount requested, from the applicant's nuclear shall guarantee the loan on behalf of the nuclear
- d) The nuclear shall not guarantee loans 3 times more than their total shares.

7. Loan repayments

- a) It is the duty of every member to pay his/ her loan as agreed in the application form.
- b) The collection of loan repayment shall be done by nuclear official.
- c) Nuclear official to hand over such money to the above treasury and records within one day (24 hours)
- d) A member is allowed to offset his/ her loan early.

Defaulting a loan¹

- a) The nuclear should be responsible for any loan defaulted hence all monies shall be paid/collected as per charge sheet.
- b) Any defaulter will be charged 1% of the outstanding balance as defaulting fee.
- c) In the event that a Loan shall be defaulted the executive shall proportionately attach the shares of members equivalent to the defaulted loan amount until such a time the loan repayment is settled

8. Types of loan

- a) Short term loan payable within 6-12 months.
- b) Long term loan payable within two years.
- c) Emergency loan payable within two months.

9. Sinking Fund

In managing lose due to natural calamities (death) and unforeseen circumstances; the OEEP shall maintain a sinking fund.

Income

- a) Ten percent (10%) of share collection.
- b) Twenty five percent (25%) of annual interest.
- c) Donation/ Harambee

¹ Defaulted loan refers to skipping loan repayment for a month. This shall be determined at the executive meeting held every month when such remittance is not done

Disbursement

- a) Clearing defaulting loans due to natural calamities through insurance of loans and shares.
- b) Investment.
- c) Administration cost.