



BRN: C10000071

Permanent Ref. KF1

HPL+HCPL/01.06.23

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD.

KEY FACTS IN CONTRACTS (KFIC) AND OTHER INFORMATION**HOUSEHOLD PERSONAL LOAN / HOUSEHOLD CONCURRENT PERSONAL LOAN****N.B : Save Time by avoiding the peak period from 27th to 3rd of the next month and peak hours from 10.30 hrs to 14.00 hrs.**

You are kindly requested to read the following instructions before completing your loan application.

1.0 DOCUMENTS TO BE PRODUCED

SN	THE FOLLOWING DOCUMENTS SHOULD BE SUBMITTED:
1	Original & Photocopy of applicant's National Identity Card and Birth Certificate (KYC record) . Online Birth Certificate is acceptable.
2	Original & Photocopy of applicant's recent payslip / pension slip (not more than 1 month). Downloaded payslip will only be accepted with official seal, name, signature, date and post of signing officer.
3	Letter from Ministry/Department certifying that applicant is: not under report, not on leave without pay, not involved in a police case, not on prolonged sick leave and also was not on prolonged sick leave recently. Please note that the letter is valid for 4 weeks.
4	Original & Photocopy of bank document showing bank account number and name of applicant (if changed) .
5	Original & Photocopy of bank statement showing name and address / Utility Bill (CEB or CWA or Mauritius Telecom) - not more than 3 months old of applicant (If utility bill is not in name of applicant , a written confirmation and copy of NIC should be secured from the utility bill account holder) or any other document showing relation (KYC record).
6	Original & Photocopy of guarantor/s' National Identity Cards and Birth Certificates (KYC record) . Online Birth Certificate is acceptable.
7	Original & Photocopy of guarantor/s' recent payslips (not more than 1 month). Downloaded payslip will only be accepted with official seal, name, signature, date and post of signing officer.
8	Original & Photocopy of bank statement showing name and address / Utility Bill (CEB or CWA or Mauritius Telecom) - not more than 3 months old of guarantor/s (If utility bill is not in name of guarantor/s , a written confirmation and copy of NIC should be secured from the utility bill account holder) or any other document showing relation (KYC record).
9	Original and photocopy of Marriage Certificate of applicant (<i>as applicable</i>).
10	Original & Photocopy of spouse's National Identity Cards and Birth Certificates (KYC record) . Online Birth Certificate is acceptable.
11	Original & Photocopy of spouse's 6 months payslip . Downloaded payslip will only be accepted with official seal, name, signature, date and post of signing officer.
12	Original & Photocopy of bank document showing bank account number and name of spouse .
13	Original & Photocopy of 6 months bank statement of spouse.
14	Letter of status of employment of spouse.
15	Completed check off form or standing order of applicant's spouse.
16	Letter of undertaking (where applicable).
17	Letter stating purpose of loan for any loan as from Rs1.5m.
18	Documentary evidence for (i) home loan purpose; or (ii) application of any loan as from Rs3m.
19	Letter for check-off to SICOM Ltd (applicable for parastatal bodies)

ADDITIONAL UNDERTAKING FOR THE FOLLOWING DEPARTMENTS

SN	NAMES OF DEPARTMENT	SN	NAMES OF DEPARTMENT
1	Private Secondary Education Authority (PSEA)	7	Small and Medium Enterprises Development Authority (SMEDA)
2	Mauritius Telecom (MT)	8	Pensioners Sicom
3	Mauritius Ports Authority (MPA)	9	Pensioners (Loans Based On More Than One Pension)
4	State Informatics Ltd (SIL)	10	Cotton Bay
5	National Transport Corporation - NTC (NRB)	11	Mauritius Network Services (MNS)
6	National Empowerment Foundation (NEF)		

2.0 LOAN AMOUNT AND MODE OF PAYMENT

- 2.1 The ceiling of all loans excluding Home Loan is capped at **Rs7m (excluding higher end post employees who are in the civil service)**. Loan will be based on the **repayment capacity**. Please refer to the loan table overleaf for details of eligibility. The actual loan amount is based on eligibility and is not necessarily the same as the amount applied for. **For all loans of Rs3m and above, the loan contract shall be signed by the loanee and guarantors in presence of officers of the Association. For loans as from Rs1.5m and above, guarantors need to send email from a registered mail or a letter confirming to be guarantor.**
- 2.2 No Personal loan ceiling is applicable for long serving civil servants reckoning 10 years service or more and drawing a monthly income of Rs 50,000 or more but subject to **55%** deduction limit.
- 2.3 Applicants are notified that the existing loan balance would be set off automatically and the **net amount** would be disbursed.
- 2.4 Loan proceeds will be directly credited to main applicant's bank account.
- 2.5 The applicant for a loan of **Rs7m shall not have** a past history of defaults and **no arrears in loans** (Mutual Aid and other institutions).
- 2.6 The minimum loan application amount should not be less than Rs15,000.
The disbursement amount should not be less than Rs5,000.
- 2.7 Application should be submitted by loanee in person.
- 2.8 Allowances of a permanent nature may be considered for loan eligibility purposes.

3.0 LOAN PERIOD AND DEDUCTION

3.1 Loans can be refunded in a maximum period of **240 months** depending on the age of the applicant

Note : About two months moratorium will be provided on loan repayment, thus the first deduction will be made by end of the 2nd month. Consequently, the loan period will be extended accordingly and the interest accrued during this period will be deferred and claimed after the maturity of the loan. This deferred interest would be indicated in the periodic loan statement issued to clients.

3.2 In no case shall the total Mutual Aid deduction exceed **55%** of the monthly eligible income /40% of total monthly income of pensioners. However, this is not applicable to institutions where there is 50% restriction on salary deduction.

3.3 At least **50% deduction** will be effected through direct check off (member) and the remaining through direct check off or standing order (private sector). In case the deduction is 25% through standing order, then automatically deduction from check off to be 75%.

3.4 In case of standing order cancellation for non valid reason, no further loan will be granted to main applicant.

4.0 GUARANTORS

4.1 Except for pensioners, applicants need to provide **personal guarantors**, provided the loan amount is fully covered. Personal guarantors must be **members of the Mutual Aid**. Upon disbursement of the loan, **both applicant and guarantor(s)** will be issued with a credit advice showing loan details.

4.1.1 **Loanees have the option to provide up to 6 guarantors subject to the following:**

Sn.	Loan amount	Minimum number of guarantor (s)	For loan of Rs3m and above, guarantors need to come and sign in person in the presence of Officer of the Mutual Aid Association.
1	Up to Rs 1.0m	One	
2	> Rs 1.0m ≤ Rs 2.0m	Two	
3	> Rs 2.0m ≤ Rs 3.0m	Three	
4	> Rs 3.0m	Four	

4.1.2 **Guarantors must sign undertaking of acceptance if applicant is under report.**

4.2 **The following conditions shall apply if the loan is secured by a single guarantor:**

4.2.1 **In case the guarantor is a loanee**, the net pay into bank of the guarantor excluding bonuses and overtime should be **at least equal** to the monthly loan instalment of the loanee;

4.2.2 **In case the guarantor is not a loanee**, the net pay into bank excluding bonuses and overtime should **be at least twice** the loan instalment of the loanee;

4.2.3 The guarantor should be eligible to at least 100% of the loan amount applied for by the loanee. However, where the remuneration is not sufficient to cover for the repayment of the loan, the Association shall require the applicant for a second eligible guarantor.

4.2.4 The guarantor should also sign an undertaking that he is agreeable to be sole guarantor;

4.3 **The following conditions shall apply if the loan is secured by two guarantors:**

4.3.1 The net pay into bank of each guarantor excluding bonuses and overtime should be **at least half of** the monthly instalment of the loanee;

4.3.2 **In case one guarantor is not a loanee**, his/her net pay into bank excluding bonuses and overtime should be **at least equal to** the monthly instalment of the loanee;

4.3.3 Each guarantor should be eligible to at least **50%** of the loan amount applied for by the loanee.

4.3.4 In case of more than two guarantors the above conditions will differ accordingly.

4.3.5 Applicants with at least 25 years of service in the civil service can avail of a **Concurrent MQL Loan** (without personal guarantee) up to Rs 1.0m at an interest rate of **11.00%** p.a, subject to the following:

- Applicant's repayment capacity
- an undertaking that the gratuity payable by the Accountant General is pledged in favour of the Association.
- repayment to statutory retirement age (maximum 240 months depending on age)

4.3.6 Guarantor(s) cannot opt out once the application has been processed.

4.4 GENERAL CONDITIONS

4.4.0 **The Association reserves the right to make amendments to any of its loan policies and/or procedures at any point in time. The Association furthermore reserves the right to apply such amendments to loans already approved and granted.**

4.4.1 The loan repayment period may not exceed the retirement age of a guarantor, unless the latter's future pension is sufficient to repay the loan in case of default payment. Loans are not to be based on future pension.

4.4.2 The Association reserves the right to reject a guarantor after assessing the risk profile and to keep in abeyance the loan application of an applicant who is in litigation with the Association until the final outcome of the case.

4.4.3 The attention of the guarantors are drawn to paragraph 2.1 of the loan contract. **Guarantors should be fully aware of their responsibilities when they guarantee a loan.**

4.4.4 Guarantors can stand as surety for a total liability limit (loan balance) of **Rs3.5m** for monthly salary up to Rs50,000 and Rs4.5m for those earning above Rs50,000 monthly. Guarantors shall not be more than 5 years older than loanees.

4.4.5 In case the applicant **bears the same surname** as any of the guarantors or in case both guarantors bear the same surname, **their relationship must be disclosed** on the loan application form.

4.4.6 A waiting period of at least six monthly payment is mandatory for the grant of a Mutual Aid Quick Loan following disbursement of a Personal loan. However, this is not applicable for Civil Servants reckoning at least 5 years' service.

4.4.7 **Members have the option to secure the traditional Personal Loan with a collateralized security.**

4.4.8 **Approval of loan is subject to terms and conditions.**

5.0 NOTES :

- 5.1 Applicant and Guarantor/s must sign at part 2 of the application form and should write in **their own handwriting** in the space provided at sections 2.0 and 2.1 of the application form the following : **“Read and approved: good for the sum of Rupees in principal to which shall be added the accrued interest.”**
- 5.2 The following fees will be charged :
 (1) the **Mutual Solidarity Contribution (MSC)** for the loan (**Note : Please note that the solidarity contribution on loan is non-refundable and is payable to offset the loan in case of death of loanee**);
 (2) the Processing Fee; (3) MCIB fee.
- 5.3 Application for a new loan can be made **after 6 monthly payments** subject to **risk and repayment capacity** assessment.
- 5.3a However, if the maximum eligible loan has not been reached, the renewal can be done the next month itself subject to **risk and repayment capacity** assessment.
- 5.4 In case of default in payment on the part of a loanee, the total outstanding loan balance will **in the first instance be recovered from the salary of the guarantor(s)**. In the event that this is not possible, recovery will be effected by judicial process.
- 5.5 Shareholders may download copies of the application form from our website: **www.mcsmutualaid.mu**
- 5.6 The Association reserves the right to reject a loan application after assessing the risk profile of the Applicant/Guarantor and to keep in abeyance the loan application of an applicant who is in litigation with the Association until the final outcome of the case.
- 5.7 There should **not be any overwriting or use of correction fluid on the application form**. However in case of overwriting there must be signature. All photocopies must be clear; all **signatures** affixed must **be identical** to that on the National Identity Card of bearer.
- 5.8 In case a borrower is proceeding on any overseas leave, he/she shall communicate in writing to the Association his/her overseas address, prior to leaving the country. Non submission of such information would be **a breach of the loan contract/agreement**.
- 5.9 In case borrower is abroad and the Standing Order Instruction has failed and no deduction can be effected from guarantor's salary, the matter will be treated as a case of **defrauding the Association** of its property. The Association will proceed with legal action against the borrower and guarantor(s) via the **Central Criminal Investigation Department and Interpol**. The Association will also inform the borrower's employer or institution of the above matter with the assistance of Embassies and Ministry of Home Affairs in the relevant countries.
- 5.10 Shareholders are informed that it is mandatory for the Association to make necessary enquiry from the Mauritius Credit Information Bureau (MCIB) before approving, increasing or renewing any loan facilities and to provide the MCIB with relevant information regarding the present loan.
- 5.11 According to Section 52A of the Bank of Mauritius Act, it is mandatory that the 'Know Your Customer' (KYC) records of our members be submitted to the KYC Registry of the Bank of Mauritius.
- 5.12 **Unsecured loans(U.L)-Quick Loan,Special Personal Loan and Emergency Loan**
 (i) For a new member, unsecured loan will **not** be provided at time of membership. New members must apply for Personal loan (P.L) with guarantors first. After a period of **at least 6 months loan repayment**, loanee can apply for U.L subject to existing conditions like no arrears, limit, etc.
 (ii) For an existing member who has applied for a renewal P.L, U.L, loan will be granted based on the **clean track records** of the loanee with **no arrears** in loan repayments, etc. This may be possible when the P.L amount is lower based on guarantor submitted(salary/age), etc.
 (iii) For an existing member who had a P.L but has already settled (before or at maturity), unsecured loan can be provided based on the **track record** of the loanee with **no arrears in loan repayment**, at any point in time.
- 5.13 When a loan renewal is granted to a member, the first EMI of the loan renewal will be deducted after two months. Consequently, the two instalments of the previous loan will be deducted from the capital balance of the new loan. For example, if the new loan is granted in March, the first EMI will be demandable in May. However, the EMI for March and April receivable for the previous loan will be deducted from the capital balance of the new loan.
- 5.14 For a loan buyback, the approval of a loan will be effective when a confirmation is **received** as to whether the amount due to the other institution(s) has been settled.
- 5.15 A loan contract is valid when the proceeds of the loan have been credited to the account of the Applicant who is **alive**.
- 5.16 Your request will be resolved on the spot if this is possible. In case you are not satisfied, you may refer to the 'Complaints Handling Policy and Procedures' as available on www.mcsmutualaid.com
- Further information may be obtained by phone as follows: **213-0200 (Queries on existing loan accounts) 212-4000 (General Information) 213 0333 (Complaints)**

6.0 RATE OF INTEREST

- 6.1 Rate of interest is currently at **9.30 % p.a** for civil servants / premium non-government and **9.55% p.a for non-civil servants (excluding private sector employees)**. The rate of interest is calculated daily based on the outstanding capital and is tagged to the Mutual Aid Base Rate (MBR). The interest rate will **be automatically adjusted** in case of any percentage change in the said MBR. Consequently, the loan maturity date may be increased or reduced to take into account fluctuations in interest rate during the loan period. Please note that the monthly loan instalment will remain the same.

7.0 FEES

- 7.1 Applicant for loans will be required to pay a one off processing fee of **1 %** on the loan amount together with Mutual Solidarity Contribution (MSC) of **4.50 % - 5.50 %** to write off the loan in case of death of main applicant only. The effective date of the MSC is when the loan has been disbursed. Applicant will be charged **Rs100** as Bank of Mauritius (MCIB) fee. These fees are also applicable for loans secured by RSF, Deposits and Insurance Policies. The MSC to be applied depends on age as follows:

SN.	AGE	MSC RATE - %
1	Up to 45	4.50
2	More than 45 up to 50	5.00
3	More than 50	5.50

8.0 OTHER CONDITIONS

- 8.1 The spouse is 'Co-emprunteur'.
- 8.2 The loan computation will be based on the total joint income.
- 8.3 The basis for joint deductions is on the legal principle of marriage regime under '*Communauté de Bien*' (Article 1409 of the Civil Code).
- 8.4 The main applicant should refund the loan balance (based on joint income) in case of divorce or change of 'régime matrimonial'.
- 8.5 In case of loss of job of the spouse who is in private sector, the first choice of deduction will be from the main applicant's salary. In case it is not sufficient to deduct the EMI from applicant available balance in payslip, then guarantor(s) will step in to repay the outstanding balance.
- 8.6 Income of applicant's spouse who is self-employed may be considered for Household loan provided the income is credited in bank.

9.0 INDICATIVE LOAN TABLE - Interest Rate 9.30 % (Effective Date 02.02.2023) – (based on 55% deduction EXCLUDING PENSIONERS / TRAINEES / NON-CIVIL SERVANTS).

MAXIMUM LOAN AMOUNT	MINIMUM SALARY PER MONTH	MONTHLY INSTALMENT 240 MONTHS	MAXIMUM LOAN AMOUNT	MINIMUM SALARY PER MONTH	MONTHLY INSTALMENT 240 MONTHS
Rs	Rs	Rs	Rs	Rs	Rs
100,000	1,671	919	1,900,000	31,751	17,463
200,000	3,342	1,838	2,000,000	33,422	18,382
300,000	5,013	2,757	2,100,000	35,093	19,301
400,000	6,684	3,676	2,200,000	36,764	20,220
500,000	8,356	4,596	2,300,000	38,436	21,140
600,000	10,027	5,515	2,400,000	40,107	22,059
700,000	11,698	6,434	2,500,000	41,778	22,978
800,000	13,369	7,353	2,600,000	43,449	23,897
900,000	15,040	8,272	2,700,000	45,120	24,816
1,000,000	16,711	9,191	2,800,000	46,791	25,735
1,100,000	18,382	10,110	2,900,000	48,462	26,654
1,200,000	20,053	11,029	3,000,000	50,133	27,573
1,300,000	21,724	11,948	3,100,000	51,804	28,492
1,400,000	23,396	12,868	3,200,000	53,475	29,412
1,500,000	25,067	13,787	3,300,000	55,147	30,331
1,600,000	26,738	14,706	3,400,000	56,818	31,250
1,700,000	28,409	15,625	3,500,000	58,489	32,169
1,800,000	30,080	16,544	4,000,000	66,844	36,764

The above figures have been rounded off to the nearest rupee and actual figures may differ.