



BRN: C1000071

Permanent Ref. KF1

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD.

Ref : PLNI & CLN/ 26.03.24

KEY FACTS IN CONTRACTS (KFIC) AND OTHER INFORMATION - PERSONAL LOAN & CONCURRENT 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	Applicant's recent payslip (not more than 1 month). <i>E-payslip is acceptable.</i>
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. <i>Please note that the letter is valid for 4 weeks. E-certificate is acceptable.</i>
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). <i>E-bills are acceptable.</i>
6	Original & Photocopy of guarantor/s' National Identity Cards and Birth Certificates (KYC record). Online Birth Certificate is acceptable.
7	Guarantor/s' recent payslips (not more than 1 month). <i>E-payslip is acceptable.</i>
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). <i>E-bills are acceptable.</i>
9	Letter of undertaking (where applicable).
10	Letter stating purpose of loan for any loan as from Rs1.5m.
11	Documentary evidence for (i) home loan purpose; or (ii) application of any loan as from Rs3m.
12	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 loan applications as from Rs1.5m, an email or a letter of confirmation from guarantors is required, and for all loan applications of Rs3m and above, the loan contract shall be signed by the loanee and guarantors in presence of the officers of the Association.**
- 2.2 No Personal Loan ceiling is applicable for higher end post civil servants reckoning at least 10 years service and drawing a monthly income of at least Rs 50,000. The loan is subject to 55% deduction limit and up to age of 65 years.
- 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 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.

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 or involved in a police case.**

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 **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%** p.a, subject to the following:

- (i) Applicant's repayment capacity
- (ii) an undertaking that the gratuity payable by the Accountant General is pledged in favour of the Association.
- (iii) 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.

4.3.7 Pensioners cannot act as guarantor.

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.

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 **Guarantors should be fully aware of their responsibilities when they guarantee a loan as mentioned in the loan contract.**

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 For pensioners, the rate of interest is set at **9.30 %** p.a (*effective 02.02.2023*).

4.4.7 **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.**

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

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

5.0 NOTES :

- 5.1 Applicant and Guarantor/s must sign in the application form and should write in **their own handwriting** in the space provided in 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**
 (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 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 for Personal Loan is **9.05 % p.a** for civil servants/Premium Non Governments and **9.30% p.a** for non-civil servants (excluding private sector employees).
- 6.2 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 Applicants 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. The effective date of the MSC is when the loan has been disbursed. Applicants will be charged Rs50 as Bank of Mauritius (MCIB) fee. These fees are also applicable for loans secured by RSS, 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 LOAN ELIGIBILITY FOR PENSIONERS

- (a) For pensioners aged more than 65 up to **70 years** : Maximum loan of Rs1,000,000.
For pensioners **above 70 Years** : Maximum loan of **Rs100,000**.
- (b) Loans are payable as follows:

SN	AGE (YEARS)	MAXIMUM REPAYMENT - PERIOD (YEARS)
1	60	10
2	61	9
3	62	8
4	63	7
5	64	6
6	65 and above	5

9.0 Trainees/student nurse / probationers are now eligible to become a member of the Mutual Aid Association and may benefit from loan facilities. The following criteria will apply:

- Appointment of the trainee / student nurse / probationer shall be made by, or under delegation of powers, from PSC or LGSC.
- Loan amount shall not exceed 12 months salary and monthly instalment will be limited to 50% of monthly salary.
- Loan must be repaid within **5 years** of disbursement.
- Security to be provided: At least one guarantor who is on a pensionable and permanent post or other securities acceptable by the Association (e.g Fixed Deposit (FD), Retirement Savings Scheme (RSS), Life Assurance Policy (LAP).
- Documents as per 1.0 above.

10.0 INDICATIVE LOAN TABLE - Interest Rate 9.05 % p.a (effective 02.02.2023) (based on 55% deduction EXCLUDING PENSIONERS / TRAINEES / NON-CIVIL SERVANTS).

MAXIMUM LOAN AMOUNT	MINIMUM SALARY PER MONTH	MONTHLY INSTALMENT	MAXIMUM LOAN AMOUNT	MINIMUM SALARY PER MONTH	MONTHLY INSTALMENT
		240 MONTHS			240 MONTHS
Rs	Rs	Rs	Rs	Rs	Rs
100,000	1,642	903	2,100,000	34,476	18,962
200,000	3,283	1,806	2,200,000	36,118	19,865
300,000	4,925	2,709	2,300,000	37,759	20,768
400,000	6,567	3,612	2,400,000	39,401	21,671
500,000	8,209	4,515	2,500,000	41,043	22,574
600,000	9,850	5,418	2,600,000	42,685	23,477
700,000	11,492	6,321	2,700,000	44,326	24,379
800,000	13,134	7,224	2,800,000	45,968	25,282
900,000	14,775	8,126	2,900,000	47,610	26,185
1,000,000	16,417	9,029	3,000,000	49,251	27,088
1,100,000	18,059	9,932	3,100,000	50,893	27,991
1,200,000	19,701	10,835	3,200,000	52,535	28,894
1,300,000	21,342	11,738	3,300,000	54,177	29,797
1,400,000	22,984	12,641	3,400,000	55,818	30,700
1,500,000	24,626	13,544	3,500,000	57,460	31,603
1,600,000	26,267	14,447	3,600,000	59,102	32,506
1,700,000	27,909	15,350	3,700,000	60,744	33,409
1,800,000	29,551	16,253	3,800,000	62,385	34,312
1,900,000	31,193	17,156	3,900,000	64,027	35,215
2,000,000	32,834	18,059	4,000,000	65,669	36,118

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

TD/SB/18.03.24