



KENTOURS SACCO SOCIETY LTD.

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21st April 2020

To: All Members

REF: REVIEW OF SACCO CONTRIBUTIONS AND LOANS REQUIREMENTS

Further to our circular of 20th March 2020 and the unfolding events following the current COVID-19 pandemic, the Board has reviewed and given the following concessions to members whose earnings have been affected as follows:

1. For members that have been sent on unpaid leave, the Sacco will not expect payroll deductions and remittances for the period that staff will be on the unpaid leave. Guarantors of the affected members' loans will not be pursued in this period. Further, the affected members will not be blacklisted with the Credit Reference Bureaus if they had been repaying their loans per the agreed terms before the pandemic.
The Sacco will however require evidence from either the employer or member that they have been sent on unpaid leave.

After the situation normalizes, the accruing amounts for the unpaid period will be redistributed and spread over the remaining loan repayment period and members who wish to restructure their loans repayment terms to reduce the monthly expected deduction will be encouraged to do so.

2. For members that have been put on a salary cut, the expected Sacco deductions from payroll can be reduced as the employer may deem suitable but not by more than the percent applied on the actual salary cut.

The Sacco will require evidence from either the employer or member that the staff is on salary cut and the percentage applied.

After the situation normalizes, the accruing amounts for unpaid period will be redistributed and spread over the remaining loan repayment period. Again members who wish to reduce the expected monthly deductions have the option to apply for a restructure of the loan.

3. For members that are still on full pay, the Sacco expects that payroll deductions will remain as normal but they can reduce their share deposits contribution to minimum shs.500.00 for those with loans per circular of 20th March 2020 until further advised.

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Further, we appreciate there will be a challenge on how members who want to restructure loans will get guarantors given that they may already be away from work. To address this, the guarantors will be allowed to authorize restructure of the running loans through emails or Short Message Service (SMS). This is after the loanee confirms in writing that he/she has spoken to the guarantors and that they have consented the restructure. The physical forms will then be sent to the Sacco office later.

We hope this offers some reprieve to all stakeholders.

Yours faithfully,

Zedekiah Ongoma
Hon. Secretary

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