



**KENYA UTALII COLLEGE**

---

# **HOUSING LOAN POLICY**

**NOVEMBER, 2021**



# KENYA UTALII COLLEGE

---

## Approval and Commencement

The Housing Loan Policy shall take effect upon approval by the College Council.

Dated this 26<sup>th</sup> day of August 2024

**SIGNED**

**PETER M. MUINDI**

**AG. PRINCIPAL/CHIEF EXECUTIVE OFFICER**

**SIGNED**

**DAVID OMUSOTSI WAMATSI**

**COUNCIL CHAIRMAN**



# KENYA UTALII COLLEGE

---

## **HOUSING LOAN POLICY**

### **1. POLICY STATEMENT**

Kenya Utalii College operates a scheme to assist members of staff to purchase, build residential property or carry out home improvement. The house typologies considered include bungalows, maisonettes, apartments, mansions and town houses. The loan will be disbursed on a first come first served basis subject to availability of funds.

### **2. STAFF ELIGIBILITY**

- a) Members of Staff are confirmed permanent and pensionable terms and those employed on contract for a minimum of three (3) years
- b) Must have worked for the College for at least one (1) year.
- c) Loan amounts must be within the 1/3 rule of emoluments.
- d) Must have a valid title deed in his /her name for the property to be constructed/purchased.

### **OTHER FACTORS TO BE CONSIDERED**

- (a) The residential premises in respect of which a loan is sought shall be within the Republic of Kenya.
- (b) The borrower shall not sell, dispose of, charge or mortgage the said property until the whole amount of loan so advanced under this agreement has been repaid
- (c) The borrower will keep the property insured against loss or damage by fire (howsoever caused) and malicious damage.
- (d) The borrower will make the said policy of insurance available for inspection by the College and from time to time during the period in which any portion of the loan remains outstanding.
- (e) All costs incurred for the purpose of documentation and other legal requirements shall be incurred by the employee.



## KENYA UTALII COLLEGE

### 3. **AMOUNT OF LOAN**

The maximum amount of loan to be advanced for mortgage and house construction will be as guided by the Salaries & Remuneration Commission (SRC)

BENEFICIARIES	HOUSING LOAN SCHEME
KUC 1	Up to Kes.25 million
KUC 2/3/4	Up to Kes.20 million
KUC 5/6	Up to Kes.15 million
KUC 7/8/9	Up to Kes.10 million
KUC 10/11/12	Up to Kes.6 million
KUC 13	Up to Kes.4 million

The maximum amount of loan to be advanced for home improvement will be as follows:

BENEFICIARIES	HOUSING LOAN SCHEME
KUC 1	Up to Kes.6.25 million
KUC 2/3/4	Up to Kes.5 million
KUC 5/6	Up to Kes.3.75 million
KUC 7/8/9	Up to Kes.2.5 million
KUC 10/11/12	Up to Kes.1.5 million
KUC 13	Up to Kes.1 million

### 4. **LOAN REPAYMENT**

The repayment of the purchase or construction of residential loan will be a maximum of twenty (20) years while the repayment of the home improvement loan will be a maximum of three (3) years.



# KENYA UTALII COLLEGE

---

## 5. **RELEASE OF FUNDS**

**5.1** The funds for the purchase of residential property will be disbursed once.

**5.2** A loan granted for the development of residential property, shall be released to the borrower in phases in accordance with sub-regulations (2) and (3) of this regulation.

The first disbursement of a loan released to a civil servant shall be— 25% of the cost of construction: Provided that the cost of construction shall not exceed the maximum funding under these Regulations; or twice the open market value of the land on which the residential property is proposed to be constructed; whichever is lesser. The subsequent disbursements shall be based on the rate of completion of the various phases of development as certified by a valuer, registered as such under the Valuers Act (Cap. 532), at the cost of the borrower.

**5.3** The funds for home improvement will be disbursed once.

## 6. **INTEREST RATE CHARGE**

The rate of interest applicable shall be 3% per annum on reducing balance for the duration of the loan.

## 7. **VALUATION OF THE PROPERTY**

Applications for assistance under this scheme must be accompanied by an acceptable valuation report of the property to be purchased or built from a registered valuer. The College may, where it deems necessary, appoint a valuer





# KENYA UTALII COLLEGE

---

of its choice to carry out the valuation of the property in question at the expense of the applicant.

## **8. SECURITY OF LOANED FUNDS**

- 8.1** The Title deed shall be charged and original deed deposited in the College.
- 8.2** In case an employee leaves the organization, the employee shall be required to pay the outstanding amount within the agreed period.
- 8.3** An employee may transfer the liability to a serving employee to continue servicing the outstanding balance.
- 8.4** Failure to repay the outstanding loan for three consecutive months, the College shall repossess the property and find alternative means to recover the outstanding loan amount.
- 8.5** In the event of the purchaser demise, before the said total sum advanced by the College has been repaid in full the whole of the balance of the said total sum then outstanding shall forthwith become payable by his/her beneficiary or legal representative and if not forthwith paid it shall be lawful for the College without prejudice to any other means of recovery to deduct from any sum payable as benefits. In case the benefits are not adequate the college shall take possession of the said property and sell it to recovery the outstanding amount.

## **9. APPLICATION FOR LOANS**

### **a) Purchase of Residential Property**

Applications in prescribed form, available from the Directorate of Human Resource & Administration, shall be fully completed in triplicate and submitted to the Principal/CEO. Each application must be accompanied by:



## KENYA UTALII COLLEGE

---

- (i) Documentary evidence to prove the presence of suitable financial arrangements with recognized financial institution to effect the purchase or copy of the sale agreement signed by the vendor or a letter of allocation from the developer. The purchase price of the property must be indicated on the documents.
- (ii) Particulars of seller eg. KRA Pin and ID. For companies a certificate of registration will be required and for purchases from a private company, a CR12 should be attached. If the purchase of the property is from an individual person, the title-deed will be required.

### **b) Completion of Building Under Construction**

Applications in prescribed form, available from the Human Resource & Administration Office shall be fully completed in triplicate and submitted to the Principal/CEO. Each application must be accompanied by:

- (i) Certified copies of documents of title of the land on which the building is situated which shall indicate the Plot or Reference Number of the land.
- (ii) An official search of the title to the land where the construction is to be done.
- (iii) A copy of the architectural drawings of the house under construction approved by the relevant authority.
- (iv) Priced bill of quantities dully signed by an approved Quantity Surveyor.
- (v) A valuation report conducted by a professional Valuer appointed by the College indicating the estimated cost of completion of the building.

### **c) Home Improvement**

Employees who already have their residential property may want to make some modifications and hence the need to apply for a home improvement loan.



# KENYA UTALII COLLEGE

---

The requirement will be as follows:

- (i) Value of the improvement from a professional valuer.
- (ii) Title deed of the land under the project
- (iii) Funds are disbursed to the employee directly
- (iv) The employee will provide a certificate of completion of the project within three (3) months by a registered valuer or estates department.

The expenses incurred in the course of valuation will be met in their entirety by the applicant.

**d) Approval of Applications and Agreement**

The Principal/CEO of Kenya Utalii College will approve applications for Loans for members of staff except for the Principal/CEO, which will be approved by the Chair of the Council.