

SPECIAL ISSUE

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LEGAL NOTICE NO. 1

THE PUBLIC FINANCE MANAGEMENT ACT

(No.18 of 2012)

IN EXERCISE of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance and Economic Planning makes the following Regulations —

**THE PUBLIC FINANCE MANAGEMENT (KIAMBU COUNTY
EXECUTIVE STAFF MORTGAGE SCHEME FUND)
REGULATIONS, 2016**

1. These Regulations may be cited as the Public Finance Citation. Management (Kiambu County Executive Staff Mortgage Scheme Fund) Regulations, 2016.

2. In these Regulations, unless the context otherwise requires — Interpretation.

“borrower” means a person in receipt of a loan out of the Fund;

“committee” means the Loans Management and Advisory Committee established under Regulation 7;

“county” means the County Government of Kiambu;

“county Assembly” means the County Assembly of Kiambu.

“county Executive Committee member” means the County Executive Committee member responsible for finance;

“county staff” means all employees of the executive arm of the County Government of Kiambu and includes a member of the County Executive Committee;

“financial year” means the period of twelve months ending on the 30th June of each year;

“fund” means the Kiambu County Staff Mortgage Scheme Fund established under Regulation 3;

“fund administrator” means the officer appointed under Regulation 6;

“loan repayment period” means the period from the time the loan is granted until repayment in full;

“member of the scheme” means a Member of the County staff;

“prescribe” means as prescribed by the Committee.

“property” means a residential house purchased through a loan from the Fund;

“valuer” means a person registered as a valuer under the Valuers Act (Cap. 532).

3. (1) There is established the Kiambu County Staff Mortgage Scheme Fund. Establishment of the Fund.

4. The objects of the Fund shall be to provide a loan scheme for the purchase, development, renovation or repair of a residential property by the member of the scheme. Objects of the Fund.

5. The sources of the Fund shall consist of— Sources of the Fund.

- (a) monies appropriated by the County Assembly;
- (b) all monies earned by or arising from investment made in respect of the Fund;
- (c) any interest that may accrue from monies borrowed from the Fund; and
- (d) any monies accruing to the Fund from any other source.

6. The County Executive Committee member shall on such terms and conditions as shall be appropriate designate a Fund administrator to administer the Fund. Appointment of Fund administrator.

7. (1) There is established the Kiambu County Loans Management and Advisory Committee which shall consist of— Establishment and composition of the committee.

- (a) the chairperson of the County Public Service Board or his nominee.
- (b) the Chief Officer responsible for matters relating to finance;
- (c) the Chief Officer responsible for matters relating to housing and planning;
- (d) the head of human resources in the County; and
- (e) one member of the scheme nominated by the Governor.

(2) The Fund administrator shall be an *ex officio* member of the committee and the secretary to the committee.

(3) The members of the Committee shall elect a chairperson from amongst themselves.

8. (1) The functions of the committee shall be to— Functions of the Committee.

- (a) consider and approve all applications for a mortgage loan;
- (b) approve all housing development and financial proposals related to the Fund;
- (c) approve the criteria for the disbursement of the funds;
- (d) perform other duties as may be directed by the County Executive Committee member for the proper management of the Fund.

(2) The meetings of the committee shall be convened by the chairperson or in the absence of the chairperson, by a member

designated by the chairperson and shall be convened at such times as may be necessary for the discharge of its functions.

(3) The quorum for a meeting of the committee shall be the chairperson and any two members.

(4) The decision of the Committee shall be by a simple majority and in the case of a tie, the chairperson shall have a casting vote.

(5) The committee may co-opt any person with the knowledge and skills necessary for the performance of any of its functions to attend any of its meetings provided that a person so co-opted shall not have any voting rights.

9. (1) Notwithstanding Regulation 8 (1), the County Executive Committee member may appoint a committee or a board of an existing house mortgage scheme fund in the public service, or a financial Institution to manage the Fund. Appointment of financial institutions.

(2) A committee, board or financial institution appointed under sub-regulation (1) shall be deemed to have taken the role of the Kiambu County Loans Management and Advisory Committee.

(3) The committee, board or financial institution appointed under sub-regulation (1) shall conduct its affairs as provided under these regulations.

10. A loan granted under these Regulations shall be solely utilized for; the purchase, development, renovation, repair or improvement of residential property for the occupation of the borrower or his immediate family members. Purpose of loan.

11. (1) A loan for the development of residential property may be granted by the committee to a county staff in possession of a title deed to the land on which the development is intended to be carried out. Disbursement of loan for development.

(2) The first disbursement shall be based on twenty five per cent of the total cost of construction provided that the cost of construction shall not exceed the maximum funding due to the borrower under these Regulations or twice the open market value of the land on which the residential property is proposed to be constructed, whichever is less.

(3) The subsequent disbursements shall be based on the rate of completion of the various phases of development as certified by a valuer at the borrower's cost.

12. (1) A County staff may apply for a mortgage loan from the Fund provided that the county staff shall qualify to apply for the loan only after confirmation of appointment in writing. Application for a loan.

(2) An application under Sub-regulation (1) shall be made to the Fund administrator in such manner as the committee may prescribe.

(3) A borrower who prior to the commencement of these Regulations had purchased, developed, renovated or repaired residential property stipulated under Sub-regulation (1) on a loan from a financial institution, may apply for a loan under these Regulations to offset the balance or to have the loan transferred from the financial institution to the loan scheme under these Regulations.

(4) A loan granted under these Regulations shall be funded at the rate of ninety per centum of the value of the property or the cost of construction subject to the limits set out under these Regulations.

(5) A loan granted under these Regulations shall—

- (a) be based on the borrower's ability to repay;
- (b) not exceed the maximum loan threshold set out in the Schedule; and
- (c) be repaid under a check off system.

13. (1) An application for a loan for construction purposes shall be accompanied by such documents as the committee may require and shall include where applicable—

Requirements for
Application for
loan.

- (a) copies of the designs of the proposed residential property duly approved by the County authority within whose area it is to be situated;
- (b) priced bills of quantities in respect of the proposed development, renovation or repair;
- (c) an official search of the title to the property intended to be purchased;
- (d) a certified copy of the sale agreement of the property;
- (e) proof of availability of ten percent of the value of the property; and
- (f) any other document that the committee that the committee may require for the purpose of determining the application.

(2) The borrower shall bear the cost of stamp duty, legal fees, transfer fees and any other related costs.

(3) The stamp duty, transfer fee and other related charges shall be paid by the borrower into the Fund.

(4) The Committee may, where it deems appropriate, recommend the appointment of an advocate to act on its behalf in respect of transactions relating to the property under these Regulations.

14. Where the property intended to be purchased through a loan from the Fund is leasehold property, such loan shall only be granted where the expiry date of such lease is at least forty-five years from the date the loan is granted.

Leasehold property.

15. (1) A loan granted under these Regulations shall be fully repaid by the borrower within a period of twenty years; or before the borrower's retirement date, whichever comes earlier.

Repayment of loan.

(2) A state officer who is appointed at the age of seventy years or above shall be required to repay the loan for the duration of the state officer's appointment.

(3) A borrower shall give authority in writing for his pension dues or gratuity to be utilized to clear any outstanding debt in case the borrower retires before fully repaying the loan.

16. (1) The interest payable on a loan granted under these regulations shall be three per centum per annum on a monthly reducing balance or such other rate as may be determined from time to time. Interest on loan.

(2) The interest charged under sub-regulation (1) shall be paid by the borrower.

17. (1) The Fund shall register a charge on any property financed through a loan granted under these Regulations and such charge shall impose an obligation on the borrower— Lien on loan property.

- (a) not to mortgage, charge, surrender the lease, or sell or agree to sell or in any other way part with possession of the charged property or part thereof without the prior written consent of the Fund administrator;
- (b) to meet and pay all rates, rents, insurances and any other outgoings in respect of the property and send the proof of such payments to the Fund administrator; and to fulfill all other obligations imposed under the charge;
- (c) to provide a transfer deed duly signed by the borrower and a letter authorizing the fund to sell the property in case of default in payment.

(2) All residential properties purchased or developed through the Fund shall be of such standards as the Committee may approve.

(3) During the loan repayment period, every borrower shall—

- (a) ensure that the property is used for residential purposes only;
- (b) maintain the property in a satisfactory state repair; and
- (c) make no extension or any structural alteration, or part with possession of the whole or any part of the title to the property without the prior approval of the committee.

(4) A borrower granted a loan under these Regulations shall not be eligible for a second loan until full repayment of the first loan provided that no borrower shall be eligible for more than two loans.

(5) Where the spouse of a county staff is also a county staff, the granting of a mortgage loan to one spouse shall not bar the other spouse from benefiting from the Fund.

(6) Submission of all documentation and disbursement of funds shall be supervised by the Fund administrator.

18. (1) A borrower shall take out and maintain a life insurance policy and a fire insurance policy with an insurance firm approved by the Committee. Insurance in respect of loan property.

(2) A borrower of a loan whose house is under construction shall take a mortgage protection cover for the provisional sale price of the property.

19. The originals of all documents relating to the property financed by a loan from the Fund shall be kept by the Fund administrator. Custody of documents.

20. The Committee shall be entitled to do everything lawful and necessary to protect the County Government's interest in the property in respect of which a loan is granted. Protection of County Government's interest.

21. (1) Where the repayment of a loan is not made in accordance with the terms and conditions of the loan, the sum of money due to the Fund shall be recoverable, without prejudice to any other remedy, in civil proceedings in a court of law. Recovery of mortgage loans.

(2) Recovery of loans under Sub- Regulation (1) shall include—

- (a) ~~the sums~~ of money specified as outstanding with respect to the principal sum initially advanced;
- (b) interest accrued on the principal; and
- (c) all costs and charges incurred to recover the unpaid money and interest

(3) Where a borrower ceases to be a County staff before full loan repayment, the borrower shall continue to repay the loan on the same terms as set out in these Regulations provided that when the borrower defaults in payment for a period of four months the outstanding loan shall revert to prevailing commercial interest rates.

(4) Notwithstanding these Regulations, where a borrower leaves service on disciplinary grounds before serving for the contract period, the committee may grant the borrower a maximum period of four months to repay the full outstanding loan or permit the borrower to repay the outstanding loan at the prevailing market rate and such other terms and conditions as the committee may from time prescribe.

(5) Where the commercial rate is applicable, and the borrower is in default for a period of four months, the Fund may call in the loan and sell the charged property by public auction or private treaty.

22. (1) The Fund administrator shall—

- (a) open and manage a bank account for the Fund;
- (b) supervise and control the administration of the Fund;
- (c) utilize the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use;
- (d) cause to be kept books of accounts and other records in relation to the Fund;
- (e) not later than three months after the end of each financial year, submit financial statements relating to those accounts to the Auditor-General;
- (f) furnish such additional information as may be required by the County Executive Committee Member; and

Administration of the Fund.

- (g) perform such other function as may be assigned by the County Executive Committee Member.

23. (1) A person shall not sell or in any way transfer any property acquired through the Fund under these Regulations unless— Transfer or sale of loan property.

- (a) the final payment of the full purchase price of the property together with such interest as may be due is made;
- (b) the final repayment of the full loan advanced by the Fund together with such interest as may be due is made; or

(2) A sale or transfer under regulation 23 (1) shall be approved by the Committee.

24. (1) Where the County Executive Committee Member appoints a financial institution to administer the Fund, the institution shall— Duties of financial institutions.

- (a) operate individual accounts for each borrower, and provide details of recoveries of the loan;
- (b) charge security on properties acquired through loans from the Fund and act as a custodian of such charges;
- (c) disburse cheques or transfer funds for newly approved loans to borrowers after the necessary documentation is provided;
- (d) pay all outgoings and issue demand notices to defaulting borrowers through the officer administering the Fund;
- (e) upon repayment of the loan, interest and other expenses which may be outstanding, discharge the charge and release the security documents to the borrower; and
- (f) perform such other duties as may be assigned from time to time.

25. The Fund may enter into a viable financing or development partnership with a legal entity for the purposes of achieving its objectives. Financing or developing partnership.

26. The Fund may enter into viable management partnership with another housing scheme from any other public body. Partnership with other schemes.

27. The Fund or where applicable the financial or mortgage institution referred to under Regulation 9, may charge an interest of not more than two percent per annum of the value of the loan to cover its management costs. Management Costs.

28. These Regulations shall be supplemented by such requirements as may be detailed in the loan application form prescribed by the Fund and in the contract between the Fund or financial institution and the borrower. Miscellaneous.

29. The Committee may from time to time recommend to the County Executive Committee Member any amendment to these regulations. Amendment to regulations.

SCHEDULE

<i>Beneficiaries</i>	<i>Threshold</i>
County Governor	Up to KSh. 40 Million
Deputy County Governor	Up to KSh. 25 Million
Civil Service Grades S, T, U and Equivalent grades in Public Service	Up to KSh. 20 Million
Civil Service Grades P, Q, R and Equivalent grades in Public Service	Up to KSh. 15 Million
Civil Service Grades K, L, M, N and Equivalent grades in Public Service	Up to KSh. 10 Million
Civil Service Grades G, H, J and Equivalent grades in Public Service	Up to KSh. 6 Million
Civil Service Grades A, B, C, D, E, F and Equivalent grades in Public Service	Up to KSh. 4 Million

Dated the 20th January, 2016.

MARY NGULI,
County Executive Committee Member for Finance and Economic Planning.

LEGAL NOTICE NO. 2

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance and Economic Planning makes the following Regulations—

THE PUBLIC FINANCE MANAGEMENT (KIAMBU COUNTY
ASSEMBLY STAFF MORTGAGE SCHEME FUND)
REGULATIONS, 2016

1. These Regulations may be cited as the Public Finance Management (Kiambu County Assembly Staff Mortgage Scheme Fund) Regulations, 2016.

2. In these Regulations, unless the context otherwise requires— Interpretation.

“borrower” means a person in receipt of a loan out of the Fund;

“Committee” means the County Assembly Loans Management and Advisory Committee established under Regulation 8;

“county” means the County Government of Kiambu;

“county Assembly” means the County Assembly of Kiambu;

“county Executive Member” means the County Executive Committee Member responsible for finance;

“financial year” means the period of twelve months ending on the 30th June of each year;

“fund” means the Kiambu County Assembly Staff Mortgage Scheme Fund established under Regulation 3;

“fund administrator” means the officer appointed under Regulation 7;

“member of the scheme” means a member of the staff;

“prescribe” means as prescribed by the Committee;

“property” means a residential house purchased, developed, renovated or repaired through a loan from the Fund;

“valuer” means a person registered as a valuer under the Valuers Act (Cap. 532);

“staff” means a person employed by the County Assembly Service Board.

3. The Fund covers staff of the County Assembly who are on permanent and pensionable basis and includes state officers who are not legible for any other housing scheme financed through public funds. Scope.

4. The objects of the Fund shall be to provide a loan scheme for the purchase, development, renovation or repair of a residential property by the member of the scheme. Objects of the Fund.

5. (1) There is established the Kiambu County Assembly Staff Mortgage Scheme Fund. Establishment of the Fund.

6. The sources of the Fund shall consist of— Sources of the funds.

- (a) monies appropriated by the County Assembly;
- (b) all monies earned by or arising from investment made in respect of the Fund;
- (c) any interest that may accrue from monies borrowed from the Fund; and
- (d) any monies accruing to the Fund from any other source.

7. (1) The Fund shall be administered by the Clerk of the County Assembly. Fund administrator.

8. (1) There is established the Kiambu County Assembly Loans Management and Advisory Committee which shall consist of— Establishment and composition of the Committee.

- (a) the head of human resources in the County Assembly.
- (b) the head of finance in the County Assembly;
- (c) the Deputy Clerk;
- (d) the officer responsible for staff welfare in the County Assembly; and
- (e) one member of the scheme nominated by other members of the Scheme.

(2) The Fund administrator or his nominee shall be an *ex officio* member of the Committee and the secretary to the Committee.

(3) The members of the Committee shall elect a chairperson from amongst themselves.

9. (1) The functions of the Committee shall be to—

Functions of the Committee.

- (a) consider and approve all applications for a mortgage loan;
- (b) approve all housing development and financial proposals related to the Fund;
- (c) approve the criteria for the disbursement of the funds;
- (d) perform other duties for the proper management of the Fund in consultation with the County Executive Committee member responsible for matters relating to finance.

(2) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, by a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of its functions.

(3) The quorum for a meeting of the Committee shall be the chairperson and any two members.

(4) The decision of the Committee shall be by simple majority and in the case of a tie, the chairperson shall have a casting vote.

(5) The Committee may co-opt any person with the knowledge and skills necessary for the performance of any of its functions to attend any of its meetings provided that such person shall not have any voting rights.

10. (1) Notwithstanding Regulation 9 (1), the County Executive Committee Member may appoint a Committee or a board of an existing house mortgage scheme fund in the public service, a mortgage or a financial institution to manage the Fund.

Appointment of financial or mortgage institution.

(2) A Committee, board, mortgage or financial institution appointed under Sub-regulation (1) shall be deemed to have taken the role of the Kiambu County Assembly Loans Management and Advisory Committee.

(3) The Committee, board, mortgage or financial institution appointed under Sub-regulation (1) shall conduct its affairs as provided under these Regulations.

11. A loan granted under these Regulations shall be solely utilized for; the purchase, development, renovation, repair or improvement of residential property for the occupation of the borrower or his immediate family members.

Purpose of loan.

12. (1) A loan for the development of residential property may be granted by the Committee to a staff in possession of a title deed to the land on which the development is intended to be carried out.

Disbursement of loan for development.

(2) The first disbursement shall be based on twenty five per cent of the total cost of construction provided that the cost of construction shall not exceed the maximum funding due to the borrower under these

Regulations or twice the open market value of the land on which the residential property is proposed to be constructed, whichever is less.

(3) The subsequent disbursements shall be based on the rate of completion of the various phases of development as certified by a valuer at the borrower's cost.

13. (1) A staff may apply for a loan from the Fund provided that the staff shall qualify to apply for the loan only after confirmation of their appointment in employment. Application for a loan.

(2) An application under Sub-regulation (1) shall be made to the Fund administrator in such manner as the Committee may prescribe.

(3) A borrower who prior to the commencement of these Regulations had purchased, developed, renovated or repaired residential property stipulated under Sub-regulation (1) on a loan from a financial institution, may apply for a loan under these Regulations to offset the balance or to have the loan transferred from the financial institution to the loan scheme under these Regulations.

(4) A loan granted under these Regulations shall be funded at the rate of ninety per centum of the value of the property or the cost of construction subject to the limits set out under these Regulations.

(5) A loan granted under these Regulations shall be based on the borrower's ability to repay, shall not exceed the maximum loan threshold set out in the Schedule, and shall be repaid by check off system.

14. (1) An application for a loan for construction purposes shall be accompanied by such documents as the Committee may require and shall include where applicable— Requirements for Application for loan.

- (a) copies of the designs of the proposed residential property duly approved by the County authority within whose area it is to be situated;
- (b) priced bills of quantities in respect of the proposed development, renovation or repair;
- (c) an official search of the title to the property intended to be purchased;
- (d) a certified copy of the sale agreement of the property.
- (e) proof of availability of ten percent of the value of the property; and
- (f) any other document that the Committee may require for the purpose of determining the application.

(2) The borrower shall bear the cost of stamp duty, legal fees, transfer fees and any other related costs.

(3) The stamp duty, transfer fee and other related charges shall be paid by the borrower into the Fund.

(4) The Committee may, where it deems appropriate, recommend the appointment of an advocate to act on its behalf in respect of transactions relating to the property under these Regulations.

15. Where the property intended to be purchased through a loan from the Fund is leasehold property, such loan shall only be granted where the expiry date of such lease is at least forty-five years from the date the loan is granted. *Leasehold property.*

16. (1) A loan granted under these Regulations shall be fully repaid by the borrower within a period of twenty years; or before the borrower's retirement date, whichever comes earlier. *Repayment of loan.*

(2) A state officer who is appointed at the age of seventy years or above shall be required to repay the loan for the duration of the state officer's appointment.

(3) A borrower shall give prior authority in writing for his or her pension dues or gratuity to be utilized to clear any outstanding debt in case the borrower retires before fully repaying the loan.

17. (1) The interest payable on a loan granted under these regulations shall be three per centum per annum on a monthly reducing balance or such other rate as may be determined from time to time. *Interest on loan.*

(2) The interest charged under sub-regulation (1) shall be paid by the borrower.

18. (1) The Fund shall register a charge on any property financed through a loan granted under these Regulations and such charge shall impose an obligation on the borrower— *Lien on loan property.*

- (a) not to mortgage, charge, surrender the lease, or sell or agree to sell or in any other way part with possession of the charged property or part thereof without the prior written consent of the Fund administrator;
- (b) to meet and pay all rates, rents, insurances and any other outgoings in respect of the property and send the proof of such payments to the Fund administrator; and to fulfill all other obligations imposed under the charge.
- (c) to provide a transfer deed duly signed by the borrower and a letter authorizing the Fund to sell the property in case of default in payment.

(2) All residential properties purchased or developed through the Fund shall be of such standards as the Committee may approve.

(3) During the loan repayment period, every borrower shall—

- (a) ensure that the property is used for residential purposes only;
- (b) maintain the property in a satisfactory state repair; and
- (c) make no extension or any structural alteration, or part with possession of the whole or any part of the title to the property without the prior approval of the Committee.

(4) A borrower granted a loan under these Regulations shall not be eligible for a second loan until full repayment of the first loan provided that no borrower shall be eligible for more than two loans.

(5) Where the spouse of a staff is also a staff, the granting of a mortgage loan to one spouse shall not bar the other spouse from benefiting from the Fund.

(6) Submission of all documentation and disbursement of funds shall be supervised by the Fund administrator.

19. (1) A borrower shall take out and maintain a life insurance policy and a fire insurance policy with an insurance firm approved by the Committee. Insurance in respect of loan property.

(2) A borrower of a loan whose house is under construction shall take a mortgage protection cover for the provisional sale price of the property.

20. The originals of all documents relating to the property financed by a loan from the Fund shall be kept by the Fund administrator. Custody of documents.

21. The Committee shall be entitled to do everything lawful and necessary to protect the County Government's interest in the property in respect of which a loan is granted. Protection of County Government's interest.

22. (1) Where the repayment of a loan is not made in accordance with the terms and conditions of the loan, the sum of money due to the Fund shall be recoverable, without prejudice to any other remedy, in civil proceedings in a court of law. Recovery of loans.

(2) Recovery of a loan under Sub- Regulation (1) shall include—

- (a) the sums of money specified as outstanding with respect to the principal sum initially advanced;
- (b) interest accrued on the principal; and
- (c) all costs and charges incurred to recover the unpaid money and interest

(3) Notwithstanding these Regulations, where a borrower leaves service on disciplinary grounds or resign, the Committee may grant the borrower a maximum period of four months to repay the full outstanding loan or permit the borrower to repay the outstanding loan at the prevailing market rate and such other terms and conditions as the Committee may from time prescribe.

(4) Where the commercial rate is applicable, and the borrower is in default for a period of four months, the Fund may call in the loan and sell the charged property by public auction or private treaty.

23. (1) The Fund administrator shall—

- (a) open and manage a bank account for the Fund;
- (b) supervise and control the administration of the Fund;

Administration of the Fund.

(4) The Committee may, where it deems appropriate, recommend the appointment of an advocate to act on its behalf in respect of transactions relating to the property under these Regulations.

15. Where the property intended to be purchased through a loan from the Fund is leasehold property, such loan shall only be granted where the expiry date of such lease is at least forty-five years from the date the loan is granted. Leasehold property.

16. (1) A loan granted under these Regulations shall be fully repaid by the borrower within a period of twenty years; or before the borrower's retirement date, whichever comes earlier. Repayment of loan.

(2) A state officer who is appointed at the age of seventy years or above shall be required to repay the loan for the duration of the state officer's appointment.

(3) A borrower shall give prior authority in writing for his or her pension dues or gratuity to be utilized to clear any outstanding debt in case the borrower retires before fully repaying the loan.

17. (1) The interest payable on a loan granted under these regulations shall be three per centum per annum on a monthly reducing balance or such other rate as may be determined from time to time. Interest on loan.

(2) The interest charged under sub-regulation (1) shall be paid by the borrower.

18. (1) The Fund shall register a charge on any property financed through a loan granted under these Regulations and such charge shall impose an obligation on the borrower— Lien on loan property.

- (a) not to mortgage, charge, surrender the lease, or sell or agree to sell or in any other way part with possession of the charged property or part thereof without the prior written consent of the Fund administrator;
- (b) to meet and pay all rates, rents, insurances and any other outgoings in respect of the property and send the proof of such payments to the Fund administrator; and to fulfill all other obligations imposed under the charge.
- (c) to provide a transfer deed duly signed by the borrower and a letter authorizing the Fund to sell the property in case of default in payment.

(2) All residential properties purchased or developed through the Fund shall be of such standards as the Committee may approve.

(3) During the loan repayment period, every borrower shall—

- (a) ensure that the property is used for residential purposes only;
- (b) maintain the property in a satisfactory state repair; and
- (c) make no extension or any structural alteration, or part with possession of the whole or any part of the title to the property without the prior approval of the Committee.

- (c) utilize the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use;
- (d) cause to be kept books of accounts and other records in relation to the Fund;
- (e) not later than three months after the end of each financial year, submit financial statements relating to those accounts to the Auditor-General;
- (f) furnish such additional information as may be required by the County Executive Committee Member; and
- (g) perform such other function as may be assigned by the County Executive Committee Member.

24. (1) A person shall not sell or in any way transfer any property acquired through the Fund under these Regulations unless— Transfer or sale of loan property.

- (a) the final payment of the full purchase price of the property together with such interest as may be due is made; or
- (b) the final repayment of the full loan advanced by the Fund together with such interest as may be due is made.

(2) A sale or transfer under Regulation 24 (1) shall be approved by the Committee.

25. (1) Where the County Executive Committee Member appoints a financial institution to administer the Fund, the institution shall— Duties of financial institutions.

- (a) operate individual accounts for each borrower, and provide details of recoveries of the loan;
- (b) charge security on properties acquired through loans from the Fund and act as a custodian of such charges;
- (c) disburse cheques or transfer funds for newly approved loans to borrowers after the necessary documentation is completed;
- (d) pay all outgoing and issue demand notices to defaulting borrowers through the officer administering the Fund;
- (e) upon repayment of the loan, interest and other expenses which may be outstanding, discharge the charge and release the security documents to the borrower; and
- (f) perform such other duties as may be assigned from time to time.

26. The Fund may enter into a viable financing or development partnership with a legal entity for the purposes of achieving its objectives. Financing or developing partnership.

27. The Fund may enter into viable management partnership with another housing scheme from any other public body. Partnership with other schemes.

28. The Fund or where applicable the financial or mortgage institution referred to under Regulation 10, may charge an interest of Management costs.

not more than two percent per annum of the value of the loan to cover its management costs.

29. These Regulations shall be supplemented by such Miscellaneous requirements as may be detailed in the loan application form prescribed by the Fund and in the contract between the Fund and the borrower.

30. The Committee may from time to time recommend to the County Executive Committee Member any amendment to these Regulations. Amendment to Regulations.

<i>Beneficiaries</i>	<i>Threshold</i>
State Officers	Up to KSh. 25 Million
Civil Service Grades S, T, U and Equivalent grades in Public Service	Up to KSh. 20 Million
Civil Service Grades P, Q, R and Equivalent grades in Public Service.	Up to KSh. 15 Million
Civil Service Grades K, L, M, N and Equivalent grades in Public Service	Up to KSh. 10 Million
Civil Service Grades G, H, J and Equivalent grades in Public Service	Up to KSh. 6 Million
Civil Service Grades A, B, C, D, E, F and Equivalent grades in Public Service	Up to KSh. 4 Million

Dated the 20th January, 2016.

MARY NGULI,
County Executive Committee Member for Finance and Economic Planning.