

## TERMS AND CONDITIONS FOR THE APPLICATION AND USE OF THE INSTANT LOAN FACILITY

---

### 1. Definitions

- 1.1. **“Credit Charge”** means a fixed percentage of the Instant Loan payable together with the Instant Loan;
- 1.2. **“Credit Limit”** means the maximum pre-approved amount that a Customer can borrow on the Instant Loan system;
- 1.3. **“Credit Reference Bureau”** means a credit reference bureau duly licensed and registered under the Credit Reference Bureau Regulations 2013 to *inter alia*, collect and facilitate the sharing of customer credit information;
- 1.4. **“Customer”** means a person whose name is registered in the Lenders Instant Loans System with valid identification details and a registered mobile phone number;
- 1.5. **“Facility”** means the Instant Loan which the Customer requests from the Lender through their registered and recognised Mobile Phone Number;
- 1.6. **“Instant Loan”** means a loan disbursed electronically by the Lender to a Customer M-PESA account upon a Customer’s request.
- 1.7. **“Instant Loan System”** means the Lenders electronic lending and communication software enabling the Customer to communicate with the Lender for the purpose of accessing the Facility;
- 1.8. **“Late Repayment Charge”** means a penalty charged at the rate of five percent (5%) on any outstanding amounts which have become due but remain unpaid on the Repayment Date;
- 1.9. **“Lender”** means AAR Credit Services Limited incorporated in Kenya as a limited liability company under the Companies Act (Chapter 486 of the Laws of Kenya) and having its principal place of business at Methodist Ministries Centre, Oloitokitok Road, and P.O. Box 101267-00101 Nairobi Kenya;
- 1.10. **“P/A Insurance Premium”** means such personal accident insurance cover as the Lender may place with an Insurer selected by the Lender in respect of such accidental risks affecting the Customer, as the Lender shall determine.
- 1.11. **“Repayment Date”** means the day that the Instant Loan shall be due for repayment being thirty (30) calendar days from the date of disbursement of the Instant Loan;
- 1.12. **“Request”** means a request or instruction received by the Lender from you or purportedly from you through the Safaricom Network and the Instant Loan System and upon which the Lender is authorized to act;
- 1.13. **“Service”** means and shall include any form of loan that the Lender may offer you pursuant to this Agreement as you may from time to time subscribe to, and “Services” shall be construed accordingly;
- 1.14. **"You" or "your"** means the Customer and includes the personal representatives, assigns and heirs of the Customer;
- 1.15. The word **“Customer”** shall include the masculine and the feminine gender as well as juristic persons;
- 1.16. Words importing the singular meaning where the context so admits include the plural meaning and vice versa.



## 2. Acceptance of the Terms and Conditions:

- 2.1. Before applying for the Service you should carefully read and understand these Terms and Conditions which will govern the provision, use, operation and management of the Service.
- 2.2. If you do not agree with these Terms and Conditions, please reply with “No” on the Text Message received from the Instant Loan system
- 2.3. You will be deemed to have read, understood and accepted these Terms and Conditions:-
  - 2.3.1. upon replying on the “Yes” option on the Instant Loan System requesting you to confirm that you have read, understood and agreed to abide with these Terms and Conditions; and/or
  - 2.3.2. by using or continuing to use and operate the Service
- 2.4. By applying to access the Service with the Lender you agree to comply with and be bound by these Terms and Conditions for the time being and from time to time in force governing the operation of the Service and you affirm that these Terms and Conditions herein are without prejudice to any right that the Lender may have with respect to the Service in law or otherwise.
- 2.5. These Terms and Conditions may be amended or varied by the Lender from time to time and the continued use, access, enjoyment of the Service constitutes your agreement to be bound by these terms and conditions or any such amendment, addition, deletion or variation.

- 2.6. You acknowledge and accept that the Lender offers the Service only by electronic means via the Instant Loans System.

## 3. Operations

- 3.1. You acknowledge that the Lender shall appraise your Facility request according to the Lender’s loan appraisal and vetting processes and that the Lender reserves the right, at its sole discretion, and without assigning any reason to approve or decline your application for a Facility.
- 3.2. Subject to approval of your Facility request for a loan, the Lender shall lend and disburse to you an amount to be determined by the Lender in its sole discretion subject to a minimum amount of Kenya Shillings Five Hundred (KShs 500.00/=) and a maximum amount Kenya Shillings Twenty Thousand (KShs 20,000.00/=) or the Customer’s advised Credit Limit.
- 3.3. The proceeds of the Instant Loan shall be credited into your M-PESA Account subject to any deductions on account of applicable Credit Charge and/or Transaction Fees.
- 3.4. In consideration of the Lender granting you the Instant Loan, you shall pay an upfront Credit Charge of Ten percent (10%) of the Instant Loan amount or any other rate as may be determined which will be netted off the requested amount.
- 3.5. You shall make payments due from you to the Lender in respect of the Instant Loan on the Repayment Date using ‘Lipa Na MPESA’ service ONLY to the Number 356947 unless otherwise agreed and advised by the Lender in its discretion.

- 3.6. If you do not pay the Instant Loan on the Repayment Date the Lender shall automatically charge a Late Repayment Charge.
  - 3.7. You shall pay to the Lender any charges, fees, expenses, taxes, duties, impositions and expenses incurred by the Lender in complying with your Facility request.
  - 3.8. You hereby expressly give consent to the Lender to recover all monies due that you will not have settled on the Repayment Date through your employer from your payroll in the first instance or from any other source of your income or assets.
  - 3.9. The Lender reserves the right to vary the terms of the Loan including the credit charge and fees payable thereon from time to time.
  - 3.10. Any addition, alteration, modification or deletion to these Terms and Conditions may be made from time to time by the Lender and of which notice may be given to you by way of Short Messaging Service shall be binding upon you as fully as if the same were contained in these Terms and conditions.
  - 3.11. The P/A Insurance, if any, shall only be effected and taken by the Lender upon full payment of the first Instant Loan on the Repayment Date.
- 4. Credit Reference Bureaus**
- 4.1. You hereby expressly authorise the Lender to solicit, query, search, conduct, carry out and perform credit checks with, and/or obtain the Customer's credit information, or such other information, from any or all licensed Credit Reference Bureaus, with respect to this Agreement, and/or the Lender maintaining a Instant Loan for you.
  - 4.2. You hereby expressly consent, allow and authorise the Lender to disclose, advise, exchange and communicate the details pertaining to your Instant Loan to Credit Reference Bureaus (CRBs) and other Credit Providers.
  - 4.3. You authorise the Lender to obtain any information that it may require relating to the Instant Loan from credit providers, and from any other source to which the Lender may apply, each source being hereby authorised by you to provide the Lender with such information.
  - 4.4. You hereby undertake to notify the Lender immediately of any situation, which materially changes the provision, use, operation and management of the Instant Loan.
- 5. Exclusion of Liability**
- 5.1. The Lender will endeavour to do its utmost to ensure that there are no delays or failures in offering the Instant Loan. However, the Lender shall not be liable for any loss suffered by you due to, as a result of, or in connection with failures that may arise as a result of inefficiencies caused by the Mobile Phone Network providers or which are occasioned by strikes, riots or civil unrest, breakages, fire, unforeseen commercial delays, acts of God or permission requirements or licences that are required from Mobile Phone Network Providers.
  - 5.2. You hereby expressly consent to waive any claim against the Lender for delays or failures to offer the Instant Loan due to any or all of the causes and events mentioned in 5.1 above.



**6. Termination**

6.1. The Lender shall not be obliged to advance the Instant Loan or, where the Instant Loan has been advanced, may demand immediate payment of all amounts owed under this Agreement in the event that:

6.1.1. You fail to pay any sum payable hereunder on the Repayment Date.

6.1.2. You fail to perform and/or observe any of your obligations under the Agreement.

6.1.3. The Lender has reason to believe that you are likely to become insolvent or have committed an act of bankruptcy.

**7. Notices**

7.1. The Lender shall send information concerning the Instant Loan or Facility via Short Messaging Service (SMS) to you through the Mobile Network Mobile Phone number associated with your Instant Loan or Facility and registered on the Instant Loan System.

7.2. You acknowledge that you have no claim against the Lender for damages resulting from losses, delays, misunderstandings, mutilations, duplications or any other irregularities due to transmission of any communication pertaining to the Facility or Instant Loan.