



## **SALARY/PENSION ADVANCE SERVICE- TERMS AND CONDITIONS**

Dear Customer,

The Terms and Conditions referred herein describe the rights and obligations of the Customer and the Bank with regard to the Salary/Pension Advance Loan (hereinafter referred to as Loan). The Loan can be accessed either through (i) SimBanking USSD Application (\*150\*03#), (ii) SimBanking Mobile Application.

### **A: SPECIFIC TERMS AND CONDITIONS**

#### **1. Definitions**

In these Terms and Conditions,

"Account" means the Customer's CRDB salary/ pension account.

"Customer" means a registered user of SimBanking service operated by the Bank.

#### **2. Amount**

The Loan amount shall be system generated depending on the Customer's satisfactory conduct of the Account, provided that the minimum Loan amount shall be Tshs.50,000/-(the Minimum Loan) and the maximum Loan amount shall be Tshs.1,000,000/-(the Maximum Loan). The Bank reserves the right to change the Minimum Loan and the Maximum Loan from time to time with notice to the Customer in a manner the Bank deems appropriate.

#### **3. Disbursement:**

Loan amount shall be disbursed directly into the Customer's account.

#### **4. Expiry date**

The Loan shall be for a period of 35 calendar days from the date of disbursement.

#### **5. Repayment**

5.1. The Loan shall be repaid by a bullet payment using the next Customer's monthly salary /pension credited into the Account. If the monthly salary/pension amount credited into the Account is not sufficient to repay the Loan in full, the outstanding Loan (if any) shall be repaid by any amount that shall be deposited into the Account or any other account of the Customer, whether partly or in full.

5.2. The failure of the Bank to deduct repayment of the Loan from the Account does not relieve the Customer from any liability to pay the Loan.

## **6. Rate of Interest**

6.1. Pension Advance shall be charged a fixed interest rate of 2%, and shall be collected by the Bank immediately after pension is credited in the Account.

6.2. Salary Advance shall be charged a fixed interest rate of 5%, and shall be collected by the Bank immediately after salary is credited in the Account.

6.3. A penalty of 0.3% compounded shall be applied for overdue Salary Advance. Pension Advance overdue shall not attract penalty.

6.4. The rate of interest may be varied at any time by the Bank provided that the Customer is duly notified in a manner the Bank deems fit.

## **B: OPERATIONAL TERMS AND CONDITIONS**

### **7. Set Off and Consolidation Rights**

The Bank may at any time and without notice combine all or any of the Customer's accounts and liabilities within the Bank whether singly or jointly with any person or set off all or any monies standing to the credit of such account(s) including the Customer's deposits with the Bank (whether matured or not) towards satisfaction of any of the Customer's liabilities to the Bank whether as principal or surety, actual or contingent, primary or collateral, singly or jointly with any other person and the Bank may affect any necessary currency conversion at the Bank's own rate of exchange prevailing.

### **8. Payments including early payments**

Early repayment of the loan amounts in full is permitted without penalties.

### **9. Availability**

The availability of the Loan is at all times subject to the Bank's compliance in such manner as it think fit with any and all restrictions, rules and regulations of the Bank of Tanzania or any other applicable regulatory authority from time to time in force and all terms and conditions hereof remain subject to any directions of the Bank of Tanzania as advised to the Bank from time to time.

## **10. Payment on Demand**

In terms of normal banking practice, the Loan may be recalled by the Bank by written notice to that effect, payable either upon demand or within a period stated in the notice in which event the Loan in question is cancelled and any liability to the Bank becomes payable either forthwith or on the date stated in the demand, as the case may be.

## **11. Fees and Charges:**

The Bank reserves the right to review/amend/alter fees and charges at its sole discretion as it may seem appropriate.

## **C: COVENANTS**

### **12. Covenants**

The Customer agrees to:

- 12.1. Notify the Bank immediately if any Event of Default occurs.
- 12.2. Submit to the Bank such information relating to the Customer as the Bank may reasonably require.
- 12.3. ensure that his/her liabilities under these Terms and Conditions shall rank at least equally with all of his/her other present and future unsecured and un subordinated liabilities other than those which are mandatory preferred by law.

## **D: EVENTS OF DEFAULT**

### **13. Events of Default**

- 13.1. The Loan shall become due and immediately payable in the event of the following:-
  - 13.1.1. The Customer breaches these Terms and Conditions.
  - 13.1.2. The Loan is not repaid in full within 35 days from the date of disbursement.
  - 13.1.3. The Customer is imprisoned for a term exceeding one month.
  - 13.1.4. The Customer's salary /pension is not channelled through the Bank for whatever reasons.

- 13.2. If upon occurrence of an event of Default and the Loan remains unpaid within the period stated in the notice, the Bank shall have the right to:-
- 13.2.1. Cancel the Loan;
  - 13.2.2. Demand immediate repayment of the Loan, interest and any other amount due or becoming due to the Bank (whereupon they will become immediately due and payable); and
  - 13.2.3. Advise borrower's employer or pension fund as the case may be to channel all borrowers benefit, salaries and allowances through CRDB account for the purpose of fulfilling loan obligations under these terms and conditions.
  - 13.2.4. be entitled to publish the Customer's name, and photograph, in any newspaper and may disclose the amount owed giving the Customer a period by which payments have to be made or else the Bank would commence recovery measures without any further notice.

#### **14. Disclosure**

The Customer agrees and authorizes the Bank to:

- 14.1. Inquire, request information from any bank, financial institution or a licensed credit reference bureau to confirm or assess any information provided by or in relation with the Customer; and
- 14.2. Disclose information on the Customer, the Loan and the performance of the Customer under these Terms and Conditions to any bank or financial institution or a credit reference bureau upon request without any further need to obtain consent from the Customer: Provided that the disclosure of information is in order to fulfil legal, judicial or regulatory requirements shall not, as provided for by the Banking and Financial Institutions Act No.5 of 2006 or any other applicable law, require prior consent.

#### **15. Currency indemnity:**

If any payment in connection with this Loan is made or recovered in a currency other than that in which it is required to be paid then, if the payment to the Bank (when converted at the Bank's rate of exchange on the date of payment) falls short of the amount unpaid under this Loan, the Customer shall indemnify the Bank against the amount of the shortfall.

## **16. General Indemnity**

The Customer shall indemnify the Bank against all losses and expenses which the Bank incurs as a result of the occurrence of:

16.1. An Event of Default; and or

16.2. The failure of the Customer to pay any amount due under these Terms and Conditions on the due date.

## **17. Cost Expenses and Fees**

The Customer agrees that:

17.1. All costs and expenses whatsoever including legal and debt collectors costs connected with the recovery or attempted recovery of moneys owing under these Terms and Conditions as well as the contesting of any involvement in any legal proceedings of whatsoever nature by the Bank for the protection of or in connection with any account(s) or assets of the Customer shall be payable by the Customer on demand, on a full indemnity basis, together with interest from the date the costs and expenses are incurred to the date of full payment at such rate as the Bank may prescribe (both before and after judgment).

17.2. The Bank shall have the right at any time to debit the Customer's account with all monies arising from these Terms and Conditions as well as all amounts and sums of money mentioned in the preceding subparagraph. If such debiting causes the Customer's account to be overdrawn or overdrawn beyond the permitted limit, interest and any other applicable charges shall be payable accordingly.

## **18. Waiver not to Prejudice Bank's Rights**

The Bank may as it deems fit neglect or forbear to enforce any of these Terms and Conditions or waive such conditions of any breach of the Borrower or the same without prejudice to its right at any time afterwards to act strictly in accordance with the originally agreed terms in respect of the existing or subsequent breach.

## **19. Government Fees, Levies etc.**

Any government, local authority or other fees levies taxes or other impost in relation to the Loan or the repayment of the Loan will be on the account of the Customer.

## **20. Law**

These Terms and Conditions shall be governed by and construed in accordance with the laws of Tanzania. Any dispute arising from or in connection with these Terms and Conditions shall be resolved amicably by the parties within 14 days from receipt of an invitation to resolve the dispute from either party, failing which the aggrieved party may take legal actions in any competent court in the United Republic of Tanzania.

## **21. Acceptance**

Upon acceptance, these Terms and Conditions will not supersede any previous banking facility letter which the Bank has issued to the Customer and shall be in force as a separate agreement until otherwise replaced or the contract terminated by the Bank and the Loan is repaid in full. These terms and conditions may be amended from time to time by a supplementary Terms and Conditions to the effect and extent only as may be set out in such supplementary document.

Upon clicking on the **"Confirm option" on Pension Advance Service Menu, the Customer confirms "TO HAVE READ, UNDERSTOOD AND AGREE TO COMPLY WITH THESE TERMS AND CONDITIONS"**. If you do not agree with these Terms and Conditions above, please choose **"Decline"** on the Salary/Pension Advance Service Menu.

These Terms and Conditions once accepted remain in full force and effect throughout the life of the Loan enumerated herein.

Yours Faithfully

**CRDB Bank PLC**