

LOAN CONTRACT No

Between

COPEDU PLC a Deposit taking Microfinance institution incorporated in accordance with the laws of Rwanda, Company Code No 100544626 having its registered address at KN, 3Rd Road, African Union Road Kicukiro District, P. O. Box 4053 Kigali, Email: info@copeduplc.rw represented by Head of legal and Company Secretary and Head of Credit referred in this Contract as “**the Creditor**” on one part.

and

On the other hand,

Mr./Ms _____ daughter/Son of _____ and _____
 born on _____, holding a national ID card/Passport No _____ issued at _____, place of residence: Village _____, Cell _____, Sector _____, District _____, Profession _____, Social Security (RSSB) No _____ Email address _____ Tel. (+250) _____ referred to as “the Debtor”, on the other part; Legally married to _____ phone No _____, born on _____ ID No _____, issued at _____ hereinafter referred to as «Guarantor»

The Bank and the Debtor are individually referred to as “Party” and collectively referred to as “Parties”;
 Every reference to the masculine gender shall include the feminine gender.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Article 1: Purpose of the contract

COPEDU PLC in accordance with its constitution, laws and general regulations and rules governing loans, offers to the Debtor the amount of _____ (.....) for use in the project of _____ given by the Debtor.

Article 2: Interest rate

The Debtor will pay a regular interest calculated at ____% per month for the loan granted. In case of late payment, the late payment interest shall be calculated at ____% per month from the first day of delay and calculated on the principal debt (capital) of the late payment

Article 3: Occurrence of interest’s rate change

The parties to this agreement agree that the interest rate may change (depending on the loan the Debtor has applied for and received) at any time the loan is repaid. The changes are notified to the Debtor in written form or delivered by hand and signed for receipt. If the Debtor does not accept the change in the interest rate of the loan, he is committed to the cancellation of the contract, which involves immediate payment of the entire debt regardless of the payment schedule.

Article 4: Loan related charges

The Debtor paid COPEDU PLC a sum of _____ Frw i.e ____% of the loan taken plus VAT. In the event that there is a change in the provision of collateral from the Debtor; pays a fee equal to _____% calculated on the outstanding loan value plus value added tax.

Article 5: Loan repayment

The Debtor will make monthly loan and interest payments equal to _____Frw for a period of months (.....). The first and last payment dates are calculated from the time the loan amount is deposited into the Loan Account. In the event that another financial institution buys his/her loan, he/she will pay the outstanding principal plus its _____%.The Debtor has the right to receive a schedule (Reimbursement plan) to repay the loan

Article 6: Possible loan restructuring

The Debtor may request that the loan be restructured, when the ability to pay is reduced, but he/she must show in writing the request and indicate where the new payment will come from and is reliable, but his/her request will be approved by COPEDU Plc.

Article 7: Payment of other loan agreement costs

All costs arising from the contract and its consequences, such as the assessment of the collateral, the registration of the collateral, the recording of the contract and the recovery of the debt, are paid by the Debtor.

Article 8 : Insurances

The Debtor agrees to take out loan insurance equal to the amount of time the loan will be paid off and is paid in a single installment.The Debtor also agrees to take out fire insurance on the collateral (where required) provided to COPEDU PLC and withdrawn from the account in the event of an approved loan. The insurance is calculated for a period of one year and is paid annually for the duration of the loan. Therefore, the Debtor undertakes that the insurance money must be deposited in his Account in COPEDU PLC to be used for the payment of insurance for the following year. During the payment of the fire insurance for the following year it will be due but not done due to the fact that the debtor does not have money in the Account due to various reasons including non-payment of the loan received; COPEDU PLC will immediately pay this insurance for the security of the given guarantee. The amount will be paid when the debtor deposits money into the Account. In the event that this is not done due to the debtor's non-payment of the loan, the amount will be added to the debt payable to COPEDU PLC.

Article 9: Guarantor's responsibilities

In the event that the Debtor dies due to a reason the insurance company does not cover; the loan received and its interest is paid by the guarantor. The guarantor also undertakes to pay this loan and its interest at any time when necessary.

Article 10: Debt communication

In accordance with the Law on Debt Communication, the debtor grants COPEDU PLC the right to report the nature of the debt to any competent and legal authority.

Article 11: Confidentiality

COPEDU PLC is committed to maintaining confidentiality and preventing threats to the security or integrity of the Customer's personal information and to protect it from unauthorized access, unless otherwise provided by other laws.

II. ARTICLES OF COLLATERALS, TRANSITIONAL AND FINAL PROVISIONS

Article 12: The collateral provided consists of the following

The property is located at _____ Cell, amounting to _____ sqm, with UPI _____ located in the Village of _____, District of _____, Sector of _____, Province of _____, as evidenced by the lease agreement no _____ dated _____. That property is registered on (names) _____ The Debtor agrees that the collateral is his/her own or landed/owned by _____ and has the value of _____ (..... Rwf).

The Debtor agrees that he will keep the collateral in good health as long as he does not complete the loan repayments.

Article 13: Other assignments on collaterals

By agreement of both parties, the Debtor has granted COPEDU PLC the right to register the collateral issued in the office of the Registrar General, in the first instance for the above-mentioned property. This registration is valid from the date of registration until the following years of validity of the loan. After registration, they are not allowed to assign, re-pledge, or sell the issued securities without written authorization from COPEDU PLC. Otherwise, the Debtor is prosecuted according to the laws of the country. And while the Debtor has fully paid the entire loan, and he/she does not need to apply for another one, COPEDU PLC agrees to deregister the collateral, and return its documents to him/her.

Both parties have agreed that this loan agreement and the provision of collaterals will be valid for other loans as well that will be granted by COPEDU PLC or will be guaranteed while this registration of collateral is still valid.

Article 14: Realization of collaterals

COPEDU PLC is authorized to sell, manage, lease or acquire the collateral provided by the Debtor in the event that the Debtor fails to pay as agreed. In order for one of the approved procedures to be implemented, it will follow the Registrar General's order N° 001/2020/ORG DATED 12/05/2020 REGULATING THE ADMINISTRATION, LEASING, AUCTION SALE, AND ACQUISITION OF Mortgages as amended to date will be applied as well as the provisions of Law No. 13/2010 of 07/05/2010 amending and supplementing Law No. 10/2009 of 14/05/2009 on mortgages.

In particular, COPEDU PLC has the right to charge the Debtor all the loan before the due date, if

- He/she doesn't pay properly, the loan he/she received has been delayed for 90 days;
- It is evident that the loan received was used differently from what he/she requested for;
- He/she did not properly maintain or intentionally destroyed the collateral he/she gave for the loan, sold it without informing COPEDU PLC to replace the sold collateral or used it in other ways that are illegal according to the law regulating mortgages;
- He/she wants to move his loaned project outside of Rwanda;
- The collateral he/she gave was confiscated from the public interest of the country.

In the event that payment is not received from the given collaterals; COPEDU PLC will pursue the other assets of the Debtor including the shares he/she owns in COPEDU PLC for the payment of all debts offered to him/her without delay. The Debtor has authorized COPEDU PLC to pay off the debt using the shares. In the event that the collateral is not registered at the Registrar General's office, COPEDU PLC has the right to apply to the courts to recover its funds. The Debtor agrees that all costs will go towards the payment process after the due date (documentation, travel, bailee's fee, seller's and court fees if necessary) will be in his/her responsibilities.

Article 15: Business plan and collateral visits

The Debtor authorizes COPEDU PLC to visit the project for which it has provided the loan and the collateral provided as often as it deems necessary to ensure that the loan provided is being used properly or that the collateral is being handled properly. In the event that COPEDU PLC finds that the Debtor has not used the loan as requested, has mishandled the collateral, or has sold it, the provisions of Article 14 of this Agreement shall apply in case of non-payment.

Article 16: Disputes resolutions

Any dispute arising out of this Agreement shall be resolved in accordance with the applicable mortgage laws and regulations of the Registrar General. In the event that the loan is paid in accordance with the laws and regulations mentioned above or the Courts, the Debtor undertakes to provide the money that will be used in addition to the interest calculated, as well as the advocates' fees for investing COPEDU PLC in unnecessary cases.

Article 17: Miscellaneous

The Debtor is given all the information related to the loan and the time to think about it before signing this agreement not later than seven (7) days. This agreement is made in three original documents addressed to: COPEDU PLC, the Debtor and the Notary, each of whom receives this agreement and all of them have the same value until the loan is paid off. This agreement comes into effect from the date it is signed by both parties.

IN WITNESS WHEREOF, this Contract is made in three 3 original copies

Done at..... on/...../2024

For the Microfinance

For the Debtor

Head of Credit

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.....

Head of Legal and Company Secretary

His/her guarantor

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