



# ACC&S SACCO SOCIETY LTD

P.O. Box 8022-01000  
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General Kago Road

March 22, 2025

## ACC&S SACCO CREDIT COMMITTEE 2024 ANNUAL REPORT

### CREDIT SUB-COMMITTEE MEMBERS

Mrs Nancy Warau Mwangi	-	Chairperson
Rev Geoffrey Kang'ethe Mwangi	-	Secretary
Mr Joseph Karanja Maara	-	Member

### INTRODUCTION

Our Moderator & General Council executives, Sub-County Cooperative officer & other invited guests, our esteemed members, Management committee lead by our chairman, Supervisory committee & our stakeholders, greetings to you all in the mighty name of our Lord. It is yet another year since we met for Annual General meeting. We are indebted to give God thanks for being faithful and gracious to all of us. We wish to present our annual report as follows:

#### (a) ROLE OF CREDIT SUB - COMMITTEE

ACC&S credit committee is one of the sub-committee of Management committee. Its key objective is to ensure thorough loan appraisal and proper monitoring of all outstanding loans. The sub-committee is guided by the loaning policy as stipulated in the ACC&S Sacco by-laws (clause 72 a-n).

#### Basic Requirements for lending

In order for an individual to be declared credit-worthy, the person shall, as a minimum, meet the following requirements:

- (i) Be of full age i.e. 18 years & above
- (ii) Must be a member for a period of at least six months, be up to date in the payment of shares (at least 250 shares equivalent to Ksh. 5,000 and for a corporate membership 1000 shares - referred as capital share in Sacco by-laws) and savings consistently.
- (iii) Have a definite productive activity or show certain economic income to ensure that the payments will be properly made for borrowing.
- (iv) Possess satisfactory, measurable and any other legal security if any for borrowing.
- (v) Have an adequate consistent credit history for borrowing.
- (vi) Demonstrate the ability to carry out the project in which they are to make their corresponding investments.
- (vii) Be engaged in legal activities that are legal in Kenya and confined within the ACC&S Constitution. It is important to assess members' ability on loan repayment by visiting business premises and requesting for bank statements.
- (viii) Loan issued is three times of member's deposits/savings, NB less capital shares to a maximum of Kshs1.5M.
- (ix) A member should buy and fill application form.
- (x) A member applying for a loan and his/her guarantors must submit the photocopies of their identity cards.

#### (b) Loan Procedure

##### STEP 1:

- Member collects from the SACCO office/download from Sacco website loan application form and pays loan application fee
- Member fills in and hands in dully filled loan application, At this point the member will have met all eligible procedures.



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- The application is accepted by the SACCO Office

**STEP 2:** Loan application form is screened and appraised by the CC and if all the requirements are met, it is forwarded to the SACCO Manager /Accountant.

**STEP 3:** The Manager/Accountant vets the application and forwards it to the credit committee who can either reject or approve based on predetermined criteria.

**STEP 4:** Communication of the decision- if the Credit committee approves, the loan, it is disbursed into the member's account. If it is rejected, the decision is communicated to the member within 24 hours.

## (c) 2024 LOAN PERFORMANCE

No.	PRODUCT	YEAR 2024	YEAR 2023	Increase/(Decrease)
		AMOUNT (Kshs)	AMOUNT (Kshs)	AMOUNT(Ksh) - %
1.	Normal/Development Loan	22,384,500	15,934,300	6,450,200 - 40.5%
2.	Emergency loan	543,500	584,000	(40,500) - (6.9%)
3.	Top up/Refinancing	18,006,507	15,807,275	2,199,232 - 13.9%
4.	School Fees	20,000	180,000	(160,000) - (88.9%)
5.	Salary Advance	-	21,000	(21,000) - (100%)
	<b>Total</b>	<b>40,954,507</b>	<b>32,526,575</b>	<b>8,427,932 - 25.9%</b>

## (d) CHALLENGES

- Members defaulting in paying their loan totalling to Ksh. 1,549,069. This dropped by Ksh.250,931 from last year 2023 (Ksh.1.8M).
- Some members have suffered as guarantor's due to failure by loanee to honour their loan obligation on timely basis.
- Lack of member information on lending procedure
- Limited loan security. Currently only guarantors are used to secure loan. Management committee is working on other forms of security.
- Inconsistency in monthly savings and loan repayment.

## RECOMMENDATIONS

- Each member to have ACC&S Sacco credit policy and by-laws.
- Members to pay their loan installments on time & do monthly savings consistently.
- Filling loan application as required.
- Advising members to save and borrow for Sacco to continue growing.

## SIGNED:

Chairperson: \_\_\_\_\_

Secretary: \_\_\_\_\_

Member: \_\_\_\_\_