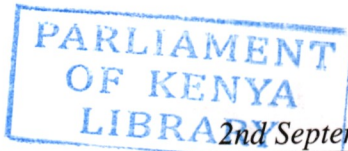


**SPECIAL ISSUE**

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*2nd September, 2016*

*(Legislative Supplement No. 67)*

LEGAL NOTICE No. 159

THE INDEPENDENT ELECTORAL AND BOUNDARIES  
COMMISSION ACT

(Cap. 7A)

IN EXERCISE of the powers conferred by sections 18, 19 and 31 of the Independent Electoral and Boundaries Commission Act, 2011 and pursuant to the Salaries and Remuneration Commission Circular No SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014 on Car Loan and Mortgage Schemes for State officers and other Public Officers of Government of Kenya, the Independent Electoral and Boundaries Commission makes the following Regulations:—

THE INDEPENDENT ELECTORAL AND BOUNDARIES  
COMMISSION (STAFF CAR LOAN SCHEME) REGULATIONS,  
2016

1. These Regulations may be cited as The Independent Electoral and Boundaries Commission (IEBC Staff Car Loan Scheme) Regulations, 2016.

Citation.

2. These Rules of Procedure are made in line with the Independent Electoral and Boundaries Commission Act, the Public Finance Management (State Officers and Public Officers Motor Car Loan Scheme Fund) Regulations, 2015 and the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014.

3. In the event of contradiction, or omission between these regulations and the Salaries & Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014, the SRC regulations shall prevail.

4. In these Regulations, unless the context otherwise requires—

Interpretation

“Borrower/applicant” means a member of staff and shall include the Secretary to the Commission in receipt of a loan out of the Scheme;

“Commission” means the Independent Electoral and Boundaries Commission established under the Independent Electoral and Boundaries Act No. 9 of 2011;

“Committee” means the Staff Car Loan Advisory Committee of the Scheme established under Regulation 9 of these Regulations;

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

“Liaison Office” means a competent office drawn from the Finance and Planning Directorate responsible for the management of the funding, accounting and reporting on the utilization of the fund on its behalf;

“Members of Staff” means staff of the Commission as defined under Section 11 and 18(2) (a) of The Independent Electoral and Boundaries Commission Act, No. 9 of 2011;

“car” means a motor car as described in Regulation No.2 of the Traffic Act, 2013;

“Scheme” means the IEBC staff Car Loan Scheme established by Regulation 4;

“Service Provider” means a financial institution appointed by the Committee;

“Spouse” means the person declared by the member in his/her employment records a spouse;

5. These regulations shall apply to the Commission Secretary and members of staff.

Application

6. There is hereby established a Scheme to be known as the Independent Electoral and Boundaries Commission Staff Car Loan Scheme.

Establishment of the Scheme.

7. The objective of the Scheme as established shall be to provide a loan scheme for the purchase of cars by members of staff; and takeover of existing car loans.

Purpose of the Scheme

8. (1) The initial capital of the Scheme shall be as per the funds allocated to the Commission from the budget appropriated by National Assembly in the 2015/2016 Financial Year and such other funds as may be voted for the purposes of the Scheme in subsequent financial years.

Capital of the Scheme

(2) All the monies of the Scheme shall be paid into an account operated by the Liaison Office or a Service provider appointed under these Regulations

9. (1) There is established an advisory committee known as the Staff Car Loan Advisory Committee to oversee the implementation and administration of the Scheme.

Establishment of the Staff Car Loan Advisory Committee

(2) The Chief Executive Officer of the Commission shall appoint members of the Staff Car Loan Advisory Committee who will oversee the implementation and administration of the Scheme.

(3) The Committee shall comprise of the three (3) Heads of Directorates, and six (6) other members of staff appointed by the Chief Executive Officer, two (2) of whom to represent the Regional Offices.

(4) The Committee shall meet at least once a month.

(5) The Chief Executive Officer shall appoint from among the Committee Membership a Chairperson, and Vice Chairperson.

(6) The Liaison Office shall undertake the duties enlisted in Section 20(1) in addition to liaison with the Service Provider.

(7) The quorum for a meeting of the committee shall be 50% + 1 members.

(8) The chairperson shall convene and preside over meetings of the Committee and in the absence of the chairperson; the vice chairperson will preside over meetings of the Committee.

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

10. (1) The Staff Car Loan Advisory Committee except as declared in (2) below, shall serve on a renewal term of three (3) years.

Tenure of the Committee

(2) The Secretariat shall be a permanent Member of the Committee.

11. The administration of the Scheme shall be by the Staff Car Loan an Advisory Committee through a Liaison Office and a service provider.

Management of Car Loan Scheme.

(2) The functions and duties of the Committee shall be to—

- (a) select competitively the service provider for the administration of the Scheme on its behalf;
- (b) liaise with the service provider to set up a revolving fund for the disbursement of the loans;
- (c) process applications for loans in liaison with the service provider in accordance with the existing terms and conditions of borrowing;
- (d) forward the successful applications with recommendations to the service provider for approval;
- (e) supervise the day-to-day running of the Scheme in liaison with the service;
- (f) identify and credit valuation firms for the purpose of rendering valuation services;

12. The Committee shall adopt and use competitive criteria to select not more than two service providers to administer the Scheme on its behalf.

Appointment of service provider

13. (1) A loan granted under these Regulations shall be solely utilized for the purchase of a car for non-commercial use.

Purpose of the loan

(2) A loan for the takeover of the existing car loan may be granted to a member of staff who is in possession of a vehicle log book to the car on which the existing car loan is intended to be taken over by the Scheme provided that the vehicle log book is held either individually or jointly with the spouse.

14. (1) The thresholds for maximum loan disbursements shall be as outlined in the Schedule attached and shall be subject to review from time to time.

Thresholds.

(2) For a member of staff to qualify for a loan, such member of staff shall be required to—

- (a) Be confirmed in appointment; or
- (b) Be either on contract or permanent and pensionable terms of service;

(3) Loans granted will be subject to 2/3<sup>rd</sup> rule whereby the employee, shall not commit more than 2/3<sup>rd</sup> of his monthly basic salary.

(4) A loan granted to a borrower under these Regulations shall be funded at the rate of hundred percent (100%) of the value of the car subject to the entitlement of the borrower.

(5) Where the officer intends to purchase or acquire a motor vehicle whose value exceeds the limits as set in Schedule, and he/she is able to demonstrate the ability to meet the difference, the officer shall meet the difference before the disbursements.

15. (1) An application for a loan under these Regulations shall be accompanied by the following documents where appropriate—

Application for loan.

- (a) a certified copy of the sale agreement relating to the car;
- (b) a certified copy of the log book;
- (c) a valuation report on the car from Automobile Association of Kenya or any other accredited agency licensed to carry out such valuations.

(2) For the purposes of these Regulations, the value of a new vehicle shall be as quoted on the invoice from the supplier whereas the value of a used vehicle shall be as determined by a report from the valuer or the Government Department dealing with similar matters.

(3) For the purposes of these Regulations, vehicles that are more than eight years old from date of first registration shall not be subject to this loan.

(4) The applicant shall bear the cost of valuation, registration and other legal fees.

(5) Prioritization of the loan shall be on “first come first served” basis where “first” means the first person who meets all the requirements.

16. (1) A loan approved by the Committee under the foregoing regulations shall be released from the Scheme in such manner, taking into account the security of the funds, as may be prescribed by the Committee.

Condition for Disbursement of Funds

(2) The log-book of a motor vehicle subject to a loan from the Scheme shall be issued jointly under the names of the Commission and the member receiving the loan and shall be kept in the custody of the Service Provider and a copy to the Liaison Office until the loan is repaid in full by the member.

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(3) The Service Provider shall issue a caveat prohibiting the transfer of the motor vehicle and shall notify the Registrar of Motor Vehicles accordingly.

(4) The Registrar of Motor Vehicles shall confirm in writing to the Service Provider, that a caveat issued under paragraph (3) has been entered and noted in the appropriate motor vehicle file in the registry of the Registrar of Motor Vehicles.

(5) The borrower under this Scheme shall—

- (a) not lease, sell or agree to sell or part with possession of the charged car or any part thereof without the prior written consent of the Committee;
  - (b) meet and pay comprehensive insurance and any other outgoings in respect of the motor vehicle and send the proof of such payments to the Committee.
  - (c) maintain the motor vehicle in a serviceable condition.
- (6) A borrower shall not be eligible for more than one car loan.

17. A loan advanced under these Regulations shall be repaid in full—

Loan repayment.

- (a) Maximum repayment period shall be sixty (60) months calculable from the date of disbursement of the Car loan.
- (b) No default in repayment shall be allowed by the Committee except in the event of force majeure in which case there shall be a grace period of not more than six months, after which the car which is subject to the loan shall be repossessed and sold to recover the balance of the loan.

18. (1) The interest payable on a loan shall be at the rate of three per centum (3%) per annum on a monthly reducing balance which shall be retained in the fund or such other rate as may from time to time be determined by the Cabinet secretary in a Gazette Notice.

Interest on loans

(2) The Fund or where applicable, the financial institution referred to under these regulations may charge administration fees for not more than two per centum (2%) of the value of the loan to cover its management costs.

(3) The interest charged under paragraphs (1) and (2) of this regulation shall be met by the borrower.

19. The Committee shall provide guidelines on how to utilize the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use.

Utilization of Interest Accrued.

20. (1) The borrower shall ensure that the motor vehicle is comprehensively insured during the term of the loan at the value certified by a registered valuer.

Insurance of motor vehicle

(2) Failure to comply with this regulation will be construed as default.

21. (1) The Committee may call in the loan in default, sell the motor vehicle by public auction or private treaty where the borrower is in breach of the terms under the loan agreement.

Default in repayment.

(2) The sale of the vehicle shall not prevent the Committee from taking any other remedial action to recover any outstanding amount of the loan still owed by the borrower if that sale fails to raise the full outstanding balance. The Committee shall however endeavor to ensure that the vehicle is sold at market rates and any money realized in excess of the default sum shall be paid to the borrower.

22. (1) The Liaison Office shall be drawn from the Finance and Human Resources Directorates and shall perform the following responsibilities—

- (a) open and manage a bank account for the Scheme;
- (b) cause to be kept books of account including funds accountability statement and any other records in relation to the Scheme;
- (c) furnish the Committee with a fund accountability statement on a quarterly basis;
- (d) furnish such information regarding the administration of the Scheme as may be required for audit examination by authorized entities from time to time;
- (e) carry out such inspections as may be necessary to verify any information submitted under these Regulations;
- (f) supervise disbursement of funds.

(2) The Secretariat of the Committee shall be drawn from the Human Resource Directorate and shall carry out the general administration of the Scheme including but not limited to—

- (a) convene meetings of the Committee;
- (b) keep minutes of the Committee meetings;
- (c) receive and review application for loan;
- (d) verify employee details/records and confirm employee status on the form;
- (e) submit all loan applications with appropriate recommendations to the Committee for consideration;
- (f) submit approved loan applications to the Service Provider for funding;
- (g) keep database of applicants;
- (h) design and review loan application forms from time to time;
- (i) check the application against the presented criteria;
- (j) ensure that the application forms are accompanied by relevant documents;
- (k) effect loan deductions into the payroll;
- (l) ensures all loan deductions are effected within the 1/3rd Rule regulation;
- (m) submit deductions posting lists to the Liaison Office.

23. Where the Committee approves the appointment of a Service Provider to administer the Scheme, the institution shall—

- (a) Operate individual accounts for each borrower and provide details of recoveries of the loan;
- (b) Charge security on Cars acquired through loans from the Scheme to protect the interests of the Scheme and act as a custodian of such charges;

Responsibilities of the service provider.

- (c) Disburse payments of approved loans to borrowers after the necessary documentation is completed by the Committee;
- (d) Pay all outgoing costs and issue demand notices to defaulting borrowers through the Liaison Office;
- (e) Liaise with the Committee for purposes of effective administration of the Scheme;
- (f) Upon repayment of the loan, interest and other outstanding expenses, discharge the charge and release the security documents to the borrower; and
- (g) Perform the necessary due diligence;
- (h) Provide the borrower with a statement and a monthly report on the movement of the Scheme to the Committee;
- (i) Keep safe custody of all original log book and a copy to the Liaison Office;
- (j) Perform such other duties as may be assigned to it from time to time by the Committee.

24. These Regulations shall be supplemented by such terms as may, from time to time, be detailed in the application form developed and supplied by the Committee and in the contract between the Service Provider if any and the Committee.

Supplementary terms.

25. The Staff Car Loan Advisory Committee may from time to time recommend to the Commission Secretary/Chief Executive Officer any amendment to these Regulations.

#### SCHEDULE

<i>Job Grade/Designation</i>	<i>Maximum Car Loan (KSh.)</i>
Commission Secretary/CEO	5 Million
IEBC Grade 2 and 3 (DCSs and Directors)	4 Million
IEBC Grade 4, 5 and 6 (Managers, Asst. Managers, Senior Officers and Officers)	3 Million
IEBC Grade 7 and 8 (Asst. Officers)	1.5 Million
IEBC Grade 9 (Drivers)	800,000
IEBC Grade 10 (Support Staff)	600,000

Made on the 17th August, 2016.

EZRA CHILOBA,  
*Commission Secretary/CEO,  
Independent Electoral and Boundaries Commission.*

I. A. HASSAN,  
*Chairperson,  
Independent Electoral and Boundaries Commission.*

LEGAL NOTICE NO. 160

THE INDEPENDENT ELECTORAL AND BOUNDARIES  
COMMISSION ACT

(Cap. 7A)

IN EXERCISE of the powers conferred by sections 18, 19 and 31 of the Independent Electoral and Boundaries Commission Act, 2011 and pursuant to the Salaries and Remuneration Commission Circular No SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014 on Car Loan and Mortgage Schemes for State officers and other Public Officers of Government of Kenya, the Independent Electoral and Boundaries Commission makes the following Regulations:—

THE INDEPENDENT ELECTORAL AND BOUNDARIES  
COMMISSION (STAFF MORTGAGE SCHEME) REGULATIONS,  
2016

1. These Regulations may be cited as The Independent Electoral and Boundaries Commission (Staff Mortgage Scheme) Regulations, 2016.

Citation.

2. These Regulations are made in line with the Independent Electoral and Boundaries Commission Act, the Public Finance Management Act, 2012 and the Salaries & Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014.

3. In the event of contradiction, or omission between these regulations and the Salaries & Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014, the SRC regulations shall prevail.

4. In these Regulations, unless the context otherwise requires —

Interpretation

“Borrower/applicant” means a member of staff or Secretary to the Commission in receipt of a loan out of the Scheme;

“Commission” means the Independent Electoral and Boundaries Commission established under the Independent Electoral and Boundaries Act No. 9 of 2011;

“Committee” means the Staff Mortgage Advisory Committee of the Scheme established under Regulation 9 of these Regulations;

“Equity release” means a loan facility to assist property owners to obtain cash from value of their residential property.

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

“Fund Accountability Statement” means the basic financial statement to be audited that presents Scheme’s revenues, costs incurred, cash balance of the provided funds (after considering reconciling items), and assets and technical assistance directly procured by Committee through the Supply Chain Management Department for Scheme’s use. All currency amounts in the fund accountability statement, must be stated in Kenya shillings.



“Scheme” means The Independent Electoral and Boundaries Commission Staff Mortgage Scheme established by Regulation 4;

“Loan” means a loan borrowed by member of staff for the objective as set out under Regulation 5;

“Member of Staff” means staff of the Commission as defined under Section 11 and 18(2) (a) of The Independent Electoral and Boundaries Commission Act, No. 9 of 2011;

“Liaison Office” means a competent office nominated by the Committee to administer the Scheme on its behalf;

Loan” means a loan borrowed by member of staff for the objective as set out under Regulation 7;

“Service Provider” means a financial institution appointed by the Committee;

“Spouse” means the person declared by the member in his/her employment records;

“Residential Property” means a residential house, land, or an existing residential house whose improvement is under loan from the Scheme. It is a property which must be a residential status as per the existing laws and for use as dwelling place for the officer and/or his family.

“Valuer” means a person registered as a Valuer under Regulation No. 12 of The Valuer’s Act of 2010.

5. These Regulations shall apply to the Commission Secretary and members of staff.

Application

6. There is hereby established a Scheme to be known as the Independent Electoral and Boundaries Commission Staff Mortgage Scheme.

Establishment of the Scheme.

7. The objective of the Scheme established shall be to provide a loan scheme for members of staff for purchase of an existing residential property; purchase of land and construction; construction; Renovation and improvement of an existing residential property; takeover of loans on existing mortgages or equity release.

Objective of the Scheme

8. (1) The initial capital of the Scheme shall be as per the funds allocated to the Commission from the budget appropriated by National Assembly Financial Year and such other funds as may be voted for the purposes of the Scheme in subsequent financial years.

Capital of the Scheme.

(2) All the monies of the Scheme shall be paid into an account operated by the Liaison Officer or a Service provider appointed under these Regulations.

9. (1) The Commission Secretary/ CEO of the Commission shall appoint members of the Staff Mortgage Advisory Committee who will oversee the implementation and administration of the Scheme.

Establishment of the Mortgage Advisory Committee

(2) The Committee shall comprise of the three (3) Heads of Directorates and six (6) other members of staff appointed by the Chief Executive Officer.

(3) The Committee shall meet at least once a month.

(4) The Chief Executive Officer shall appoint from among the Committee Membership a chairperson, a Vice Chairperson and the secretary to the Committee.

(5) The Membership of the Committee shall nominate, amongst themselves a Liaison Office.

(6) The Liaison Office shall undertake the duties enlisted in Regulation 21 in addition to liaison with the Service Provider.

(7) The quorum for a meeting of the committee shall be 50% + 1 members.

(8) The chairperson shall convene and preside over meetings of the Committee and in the absence of the chairperson; the vice chairperson will preside over meetings of the Committee.

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

10. (1) The Mortgage Advisory Committee except as declared in (2) below, shall serve on a renewal term of three (3) years.

Tenure of the Committee

(2) The Secretariat shall be a permanent Member of the Committee.

11. (1) The administration of the Scheme shall be by the Staff Mortgage Advisory Committee through a Liaison Office and a Service Provider.

Management of the Scheme.

(2) The functions and duties of the Staff Mortgage Advisory Committee shall be to—

- (a) Select the service provider for the administration of the Scheme on its behalf;
- (b) Liaise with the service provider to set up a revolving fund for the disbursement of the loans;
- (c) Supervise the day-to-day running of the Scheme;
- (d) Forward the successful applications with recommendations to the Service Provider for approval;
- (e) Process applications for loans in accordance with the existing terms and conditions of borrowing.

12. The Committee shall use competitive criteria to select one or more service providers to administer the Scheme on its behalf.

Appointment of Service Provider

13. (1) A loan obtained under these Regulations shall be solely utilized for: -the purchase of an existing residential property; purchase of land and construction; construction; Renovation and improvement of existing residential property; takeover of loans on existing mortgages or equity release.

Utilization of loan monies.

(2) A loan for the development of residential property may be granted to a member of staff who is in possession of a title deed to the

land on which the development is intended to be carried out provided that the title deed is held either individually or jointly with the spouse.

(3) (3) A member of staff who wishes to apply for a loan for renovation and improvement of residential property, takeover loans or equity release, shall be required to provide necessary documents.

14. (1) A loan to be granted to a state officer who is in possession of a title deed due to the land on which the development is to be carried out, shall be at the discretion of the Committee.

Disbursement of  
loans for the  
purchase of Land  
and/or Development

(2) The first disbursement shall be based on twenty five per cent (25%) of the 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) A loan granted under these Regulations shall be funded at the rate of ninety per cent (90%) of the value of the property but shall not exceed the maximum loan threshold set in the Schedule and this shall be based on the ability to pay, and repaid by check off system.

(4) The subsequent disbursements shall be based on the rate of completion of the various phases of development as certified by a valuer, registered as such under the Valuers Act, 2010 at the cost of the borrower.

(5) Prioritization of the loan shall be on "first come first served" basis where "first" means the first person who meets all the requirements.

(6) The Committee shall from time to time undertake due diligence.

15. (1) A member of staff who wishes to apply for a loan from the Fund shall make such application to the officer administering the Fund in such a manner as the Committee may prescribe.

Application for loan.

(2) An application for a loan for land and construction purposes shall be accompanied by the following documents—

- (a) copies of designs by a registered architect of the proposed residential property duly approved by the County authority within whose area it is to be situated;
- (b) bills of quantities in respect of the proposed development, renovation or repair;
- (c) an official search of the title to the land on which the property lies or is intended for construction.
- (d) a certified copy of the sale agreement relating to the property.
- (e) a proof of availability of ten percent (10%) of the value of the property;
- (f) letter of offer; and
- (g) any other document that the Committee may require for the purpose of determining the application.

(3) The borrower shall bear the costs of stamp duty, transfer fees, legal fees and other related charges.

(4) The balance to the full value of the property, the stamp duty, the transfer fee and other related charges shall be paid by the borrower into the Fund Account.

(5) 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.

16. Where the property intended to be purchased through a loan from the Fund is leasehold property, no loan shall be granted unless the expiry date of such lease is at least forty-five (45) years from the date the loan is granted.

Leasehold property.

17. (1) The thresholds for maximum loan disbursements shall be as outlined in the Schedule and shall be subject to review from time to time.

Threshold for maximum loan disbursement

(2) For a member of staff to qualify for a loan, such member of staff shall be required to be—

- (a) Confirmed in appointment; or
- (b) Be either on contract or permanent and pensionable terms of service;
- (c) Loans granted will be subject to 2/3rd rule whereby the employee, shall not commit more than 2/3 of his monthly basic salary after the deduction of the mortgage loan.

(3) A loan granted to a borrower under these Regulations shall be funded at the rate of hundred percent of the value of the property subject to the entitlement of the borrower.

(4) Where the officer intends to purchase or acquire a property whose value exceeds the limits as set in Schedule (i), and he/she is able to demonstrate the ability to meet the difference, the officer shall meet the difference before the disbursements.

18. (1) A loan granted under these Regulations shall be repayable in monthly installments plus interest within a maximum period of 20 years.

Repayment of loan.

(2) Where a public officer leaves public service employment for whatever reason other than disciplinary grounds, the terms of the loan remains in force and does not change for the life of the loan unless in cases of default in which case it reverts to commercial terms.

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

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(4) The repayment shall be through the payroll check-off system.

19. (1) The interest payable on a loan shall be at the rate of three per centum (3%) per annum on a monthly reducing balance which shall

Interest on loans

be retained in the fund or such other rate as may from time to time be determined by the Cabinet secretary in a Gazette Notice.

(2) The Fund or where applicable, the financial institution referred to under these regulations may charge administration fees for not more than two per centum(2%) of the value of the loan to cover its management costs.

(3) The interest charged under paragraphs (1) and (2) of this regulation shall be met by the borrower.

20. (1) The Service Provider shall register a charge on the property financed through a loan granted under these Regulations and such charge shall impose an obligation on the borrower.

Lien under loan property.

(2) The borrower shall—

- (a) Not mortgage, charge, surrender the lease, or sell or agree to sell or part with possession of the charged property or any part thereof without the prior written consent of the Committee;
- (b) Meet and pay all rates, rents, stamp duty, legal fees, valuation costs, insurances and any other outgoings in respect of the property and send the proof of such payments to the Committee; and
- (c) Provide a transfer deed duly signed by the borrower and a letter authorizing the Committee to facilitate the sale of the property in case of default in payment.

(3) All residential properties purchased or developed through the Scheme shall be of such standards and constructed of permanent material.

(4) 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 of repair; and
- (c) Not alter or make any structural alteration that may diminish the value of the property or the title thereto, as the case may be, without the approval of the Committee.

(5) No borrower shall be eligible for more than one mortgage loan at a time.

(6) All legal documentation and disbursement of funds shall be supervised by the Liaison Office.

21. A borrower shall take out and maintain a mortgage protection policy and a fire policy with an insurance firm approved by the service provider, the cost of which shall be paid out of the Scheme and debited in such borrower's account.

Mortgage insurance.

22. The originals of all documents relating to property financed by a loan from the Scheme shall be kept in safe custody by the Service Provider and copies kept at the Liaison Office.

Custody of documents.

23. (1) Where a borrower defaults in the repayment of the loan for a period of six consecutive months the Committee shall repossess or authorize the service provider to sell the property at the prevailing market price and the proceeds there from shall be credited to the mortgagee account to defray the outstanding loan and any excess amount will be refunded to the mortgagee.

Default in  
repayment

(2) Where a borrower ceases to be a member of staff before full loan repayment, the terms of the loan remain in force and does not change for the life of the loan unless in cases of default for a period of six consecutive months in which case it reverts to commercial terms.

24. The Liaison Office shall—

Administration of  
the Scheme

- (a) Open and manage a bank account for the Scheme;
- (b) Supervise the administration of the Scheme;
- (c) Cause to be kept books of account and other records in relation to the Scheme of all the loans financed from the Scheme;
- (d) Furnish such information regarding the administration of the Scheme as may be required for examination and audit by the Auditor-General or under any law;
- (e) Designate or appoint such staff as may be necessary to assist in the administration of the Scheme and may require such staff to carry out such inspections as may be necessary to verify any information submitted under these Regulations.

25. The Committee shall provide guidelines on how to utilize the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use.

Utilization of  
interest accrued.

26. The responsibilities of the service provider, if any, appointed under these Regulations shall be—

- (a) To operate individual accounts for each borrower, which shall among others provide details of recoveries of the loan;
- (b) To charge security on properties acquired through loans from the Scheme to protect the interest of the Scheme and act as custodian of such charges;
- (c) To disburse payments for all approved loans to borrowers, after the necessary documentation is completed by the Committee;
- (d) To pay all outgoings and issue demand notices where necessary to members through the Liaison Office;
- (e) Upon repayment of the loan, interest and other expenses which may be outstanding, to discharge the charge and release the security documents to the borrower;
- (f) Upon default, to call in the loan and on behalf of the office administering the Scheme sell the charged property by public auction or private treaty in which event the Scheme shall meet any shortfall between the loan outstanding and the proceeds of sale;

- (g) Perform the necessary due diligence;
- (h) Provide borrower statement and a monthly report on the movement of the Scheme to the Committee;
- (i) Perform such other duties as may be assigned to it from time to time by the Committee.

27. The Service Provider may enter into a viable financing or development partnership with a legal entity for the purposes of implementing the objectives of the Scheme.

Financing or development partnership.

28. These Regulations shall be supplemented by such terms as may, from time to time, be detailed in the application form developed and supplied by the Committee and in the contract between the service provider if any and the Committee.

Supplementary terms

29. The Staff Mortgage Advisory Committee may from time to time recommend to the Management any amendment to these Regulations.

Amendment to Regulations.

#### SCHEDULE

<i>Job Grade/Designation</i>	<i>Maximum Mortgage Loan (KSh.)</i>
Commission Secretary/CEO	25 million
IEBC Grade 2 and 3 (DCSs and Directors)	20 million
IEBC Grade 4, 5 and 6 (Managers, Asst. Managers, Senior Officers and Officers)	15 million
IEBC Grade 7 and 8 (Asst. Officers)	10 million
IEBC Grade 9 (Drivers)	6 million
IEBC Grade 10 (Support Staff)	4 million

Made on the 17th August, 2016.

EZRA CHILOBA,  
*Commission Secretary/CEO,  
 Independent Electoral and Boundaries Commission.*

I. A. HASSAN,  
*Chairperson,  
 Independent Electoral and Boundaries Commission.*