

MEMORANDUM OF AGREEMENT for a loan made on theday of

BETWEEN of (the *borrower*) of the one part and Tuvalu National Provident Fund, a Statutory Body established under the Provident Fund Act (Cap. 86), authorised under the Provident Fund (Small Loans Investment Scheme) Regulations 2004 to carry out business as such, and having its office address at Vaiaku, Funafuti (the *Fund*) of the other part.

WHEREBY IT IS AGREED as follows:

1. The amount to be advanced (the principal sum) shall be \$..... and the date in which the loan is to be made is day of
2. The rate of interest calculated in accordance with the reducing balance method shall be 8.75% per annum.
3. On[*day*] next the day of and thereafter on the same day in each week/fortnight/month (the instalment day) the borrower shall pay the Fund the weekly/fortnightly/monthly sum of \$..... (the instalments).
4. All repayments shall be made at the Fund's cashier by cash / cheque / or by means of irrevocable instruction to the National Bank of Tuvalu (NBT) / Employer.
5. To secure the payment of the sums herein agreed to be paid by the borrower to the Fund the borrower hereby entrust his/her personal account balance held by the Fund as security to the loan.
6. If any of the said weekly/fortnightly/monthly payments remain unpaid for more than 6 months and where borrower's contributions are current, the Fund may on specific instructions from the borrower recover the default portion on the loan from the borrower's personal account balance with the Fund.
7. If any of the said weekly/fortnightly/monthly payments remain unpaid for more than 6 months and where borrower's contributions are not made to the Fund during the default period, the borrower empowers the Fund to recover the default portion on the loan from the borrower's personal account balance with the Fund.
8. In consideration of borrower's approved loan application, the borrower accepts that \$20.00 is debited to his/her loan account as a fee.
9. Any repayment made by cheque that is dishonoured will render the Fund to debit an additional fee of \$10.00 to the borrowers loan account.
10. Without prejudice, the terms of this Agreement are subject to policies that may from time to time made by the Minister on advice from the Board.

AS WITNESS the hand of the borrower and the Fund set hereto thisday of before the loan hereinbefore referred to was made.

.....
[Signature of borrower]

.....
[Signature of LO or CSO on behalf of the Fund]

ACKNOWLEDGEMENT

I acknowledge that

- (i) The above Memorandum was signed by me before receiving the above-mentioned sum of \$.....; and
- (ii) I hereby acknowledge the receipt from the Fund of the principal sum of \$.....

.....
[Signature of borrower]
