



The
MICO
FOUNDATION

REVOLVING LOAN SCHEME

PREAMBLE

The Mico Foundation recognizes that employees in The Mico Community may periodically experience financial challenges, and as such, may need financial support through short term loans. Consistent with this, The Mico Foundation has provided an opportunity to grant permanent employee access to loans at very low interest rate. The Foundation considers loans on a case-by-case basis and will make appropriate awards within reasonable limits according to the established policy.

To this end the Foundation will make available a consistent pool of funds amounting to four million dollars (\$4M) to operate a revolving loan scheme from which all categories of staff may access loans.

TERMS AND CONDITIONS OF LOAN POLICY

- **The Loan Policy covers all employees of The Mico University College and The Mico Foundation, who have been employed in a permanent position for a minimum period of one year.**
- **The maximum amount for loan shall not exceed five hundred thousand dollars (\$500,000) to any person at any one time.**
- **Loans will be granted to employees who have an immediate need for funds because of unexpected expenditures or emergencies.**
- **Except in extreme and limited circumstances, no employee will be allowed to have more than one outstanding loan at a time.**
- **All loans shall be repaid over a maximum loan period of twenty-four months at an interest rate of 8%, on the reducing balance.**
- **The policy shall be reviewed periodically, and management reserves the right to amend or withdraw any aspect of the policy at any time.**
- **Any deviation from this policy must be presented to the Board of Directors for approval**

ADMINISTRATION OF THE LOAN PROCESS

- **A completed application form to include identification of applicant and guarantor and the three most recent pay invoices for the applicants must be submitted to the Mico Foundation's Accountant.**
- **All loan applications will be vetted by the Accounting Officer before submission to the Secretary/Manager for review and approval.**

LOAN REPAYMENT SCHEDULE

- **Loan repayment method shall be salary deduction.**
- **There shall be no penalty for early repayment. An employee is free to make other payments in addition to salary deductions.**
- **All loans must be settled in full, should there be termination of employment.**
- **If an employee fails to repay a loan, then the guarantor will be responsible for settling any outstanding balance.**
- **If an employee fails to repay a loan within the stipulated time of 24 months, a penalty of an additional 2% interest shall be placed on the reducing balance**

LOAN CANCELLATION

- **In the unfortunate event that an employee dies before full repayment of a loan, the unpaid loan balance shall be cancelled by the Foundation and the outstanding amount regarded as a contribution to the bereaved family.**

LOAN FINANCING POOL

The Mico Foundation will manage a bank account which is solely for the disbursements and repayments of the loans. The interest on all loans shall be deposited to this account as a measure to increase the pool of funds. The signatures to the loan account shall be the same as that of the other accounts operated by The Mico Foundation.

While this policy establishes our basic approach and guidelines, loans will only be approved based on the availability of funds in the Revolving Loan Account

THE MICO FOUNDATION

1A Marescaux Road,
Kingston 5.

LOAN APPLICATION

Name of Applicant:

Home Address:

Telephone:

Occupation:

Department:

Gross Salary: **Net Salary:**

Required Amount:

Purpose of Loan:

Next of Kin:

Relation:

Address:

.....

Tel.
No.

INTERNAL GUARANTOR STATEMENT

Name of Guarantor

Address:
.....
.....

Telephone #:

Name of Employer.....

Occupation:

Address:
.....

Employer Tel.#

I Promise to pay the full amount owing if the borrower fails to honour his/her commitment to repay the amount borrowed or balance owing. I also authorize the balance of any outstanding amount owing by the borrower to be deducted from my salary with immediate effect.

Signature: **Date:**

Witness By: **Date:**

PROMISSORY NOTE

I (name) Of (department).....

at The Mico University College, for value received, do promise to pay to you on demand, the principal sum of (\$) with interest rate atpa.

Provided, however, I leave employment, that full amount outstanding is to be deducted from my salary.

Dated the day of 200....

Signed by: Date:.....

Witness by: Date:.....

OFFICIALS USE ONLY

Amount granted:

Principal:

Interest:

WKLY / MTHLY:

of WKS:

Approved By: **Date:**