

FREQUENTLY ASKED QUESTIONS

ASSET FINANCE LOAN INFORMATION

ASSET FINANCE

1. Can one apply for a top up loan on an existing asset finance loan?

Loan top up on an existing asset finance loan is currently unavailable.
We will advise incase this position changes.

2. Can one pay off an asset finance loan in full before the loan tenor is over?

Yes. A customer can pay off their loan at any time before the loan tenor is over and become legible to apply for a new loan.

3. Does NCBA Bank buy-off asset finance loan from other financial institutions?

Yes. The application process is the same as would be for a normal asset finance loan request. The borrower will in addition provide loan statements from the current borrowing financial institution.

4. What is the maximum % of financing?

This will depend on the type of asset being considered and its respective dealer/seller. We have scheme partnerships with various dealership that have differentiated financing terms. Additionally, each request is treated on its own merits based on certain credit criteria or considerations.

5. Is there a minimum amount of financing for asset finance?

The bank can finance a minimum of KES 300,000.00 for an asset finance facilities and KES 100,000 log book loans respectively.

6. Does NCBA Bank finance motorbikes?

Yes the bank finances motorbikes. This is limited to brand new motorbikes only and the minimum financing amount KES 300,000.00.

LOAN REPAYMENT DETAILS

1. How much is my monthly loan repayment instalments?

Your loan repayment will depend on the amount being financed, interest rate and repayment tenure. To view your monthly repayment amounts, refer to the repayment schedule attached on this email. You may also reach out to us for details on your loan repayment information.

2. Can someone else pay my loan through my account?

A third party may credit funds to your loan settlement account which will subsequently settle overdue instalments. Where you wish to transfer the loan liability to another party, contact the bank to formalize the process as per the established loan takeover guidelines.

3. When is my loan repayment date?

Your loan repayment details are included in this email body.

4. Can the repayment date be changed during the loan period?

Yes. This is possible, preferred repayment dates are 5th and 25th of every month, customer may channel this request through any NCBA branch, your Relationship Manager or reach out to our Customer Contact Center.

5. What should I do if I am unable to pay my instalment or if there will be a delay in paying my instalment?

Before the loan goes into arrears, contact your Relationship Manager or visit any NCBA branch to discuss the terms of your repayment schedule

LOAN RESTRUCTURES

1. In the event that I am financially constrained, can I apply for a loan restructure or moratorium?

Yes, you can reach out to your Relationship Manager or visit any NCBA branch to discuss the terms of your loan restructure.

2. Does restructuring my loan repayment increase the cost of my loan facility?

Loan restructuring does increase your total cost of credit since it increases interest amount payable. Deferred payments and extended loan tenures increase the interest cost of the loan due to reducing balance principle.

3. Whom and where do I place my application for a loan restructure?

You can apply for a loan restructure at any NCBA branch or through your Relationship Manager.

CHANGE OF VEHICLE USAGE

1. Can I change the initial use of the vehicle (e.g. from private to commercial or PSV) when the loan is still running and does this require consent of the bank?

Yes. This is acceptable to the bank provided the vehicle meets the criteria for the new usage sought. The bank has defined approval criteria different classes/usage of vehicles and hence the change may inform a review of the approval terms. Further change of vehicle usage should be authorized by the bank in form of written communication.

2. Can I undertake modifications in the vehicle that substantially alters the initial body type?

The bank requires to approve in writing, any modification on the body type.

SALE OF MOTOR VEHICLE UNDER FINANCING / LOAN TAKEOVER

1. What happens if I want to dispose of my motor vehicle while still on loan?

This is possible however, you are required to engage the bank prior to execution of the sale. Once the bank has agreed to this proposal, the proceeds of the sale will be paid directly to the bank and be utilized to offset the outstanding loan balance and the balance will be availed to the seller.

2. Can I sell my vehicle to another party and the party continues to service the loan facility granted?

The process will go through to the bank's loan take over guidelines and procedures. The bank does not recognize third party agreements with regard to a vehicle under financing.

3. Can my loan be taken over by another bank?

Yes. The takeover bank will submit an undertaking contract to NCBA for review and consideration.

EARLY LOAN REPAYMENTS

1. Is there any benefit / penalty if I decide to offset my loan earlier than the agreed tenor?

Yes, you may offset your loan before expiry of the agreed tenure. This enables you to get to save on the interest chargeable on the loan for the remaining loan tenure.

2. Can I take another loan immediately after repayment or in the life of an existing facility?

Yes you can. This is subject to the normal credit review. A good repayment history boosts your chances of qualifying for higher facilities.

LOG BOOK RELEASE

1. What is log book release?

Once you finish paying your asset finance loan facility, the bank releases its ownership interest on the asset and releases the log book back into your custody.

2. What are the steps of getting my log book released?

Upon clearance of your loan facility, visit any branch or reach out to your Relationship Manager to place instructions for log book release.

Upon receipt and confirmation of these instructions, the bank will send the original logbook (still jointly registered) to your preferred physical address/branch for processing of log book in your individual name.

3. How do I change the joint registration on the logbook to be under my name once I pay the loan?

At the point of log book release, the bank will discharge its interest in the vehicle through National Transport and Safety (NTSA) - Tax Invoice Management System (TIMS) portal. The log book under the customer's sole name will then be available at NTSA within 2-3 weeks.

4. What are the charges / fees for a logbook release?

The borrower will incur only costs stipulated in the agreement such as Option to Purchase fees (refer to your offer letter for a summary of these). Additionally, the customer pays the log book discharge fees (as guided by NTSA tariffs) directly to NTSA via their acceptable modes of payment.

5. What are the timelines for a log book release once I send my instructions to NCBA?

Log book release happens within the same day (1-2 hours).

6. What happens if my logbook is not with the bank at the point of release?

The bank will assist in following up with the relevant agency (in this case NTSA) to resolve the matter.

7. Once I finish paying my asset finance loan, can I get a loan against my logbook?

Yes. We have a solution called Log Book Loan that enables you to borrow cash against an owned vehicle provided it's not under any finance. To apply for the log book loan, visit the NCBA website and get approval within 12 hours.

8. How do I reduce the principal for my Log Book Loan?

Visit your nearest branch or talk to your Relationship Manager to submit the request. You can also send an email your request to place the instructions via our contact center or your relationship manager.



REPOSSESSION

1. What is repossession?

In the unfortunate event that you are unable to continue paying your monthly loan installments, and no communication is made to the bank with regard to delayed payments/special arrangements, the bank in line with terms and conditions of loan agreement, will take back into its custody the asset.

2. After how long is a car repossessed?

When your monthly instalment is not made, repossession takes place 14 days past your monthly installment payment date.

3. Can I talk to the bank in case I am unable to make my monthly installments to avoid my car from being repossessed?

Yes. In case you face challenges that could hinder you from making your monthly installments, please contact the bank at least seven days before your monthly installment falls due.

4. How much is the repossession fee? How much do auctioneers charge if they call me to demand payment on behalf of the bank?

The repossession fee is a minimum of KES 21,600 but will vary based on different situations for instance if the whereabouts of the vehicle are not trackable. In some cases, towing fees will also apply.

5. How much do auctioneers charge if they call me to demand payment on behalf of the bank?

The collection fee is charged at KES 6,800. Collection fee applies when auctioneers call the customer to clear defaulted amounts.

6. After how long is a car auctioned?

Once a vehicle is repossessed, a sale notice is issued immediately giving the customer 7 days to make the outstanding payments. Valuation is then done and after 7 days, the vehicle is advertised in the popular daily newspapers. Auction begins 7 days after the advertisement date.

7. How much is Auction fees?

This is a total of the fees related to auction i.e. storage fees, valuation and advertisement.

8. What is the process of getting my car released from the yard once I clear my arrears?

Upon clearing of all arrears, the customer will issue release instructions at any NCBA branch or contact your Relationship Manager who will confirm that all payments have been made. Upon clearance of the payments and the yard storage charges, the bank will then issue a release letter to the yard where the vehicle is stored.

9. When the repossession process is underway, how much % of the arrears do I need to pay to stop repossession?

To stop a vehicle from being repossessed, all arrears should be paid in full.

10. Is the auctioneer fee refundable in case it is determined that the customer was overcharged?

Where there is sufficient evidence, a reversal will be done to the customer.

11. Can I drive my car to the yard to avoid repossession fee?

Yes, you can do that and it's highly encouraged. However, this should be before the customer has been approached by an auctioneer. Ideally on or before day 14 of non-remittance of overdue installments.

12. How can I have my tracker repaired in case of malfunction?

You should advise the tracking company for repairs. Vehicles whose trackers are offline, are flagged on a monthly basis. In cases where a customer is uncooperative, a repossession order will be issued with charges borne by customer.

INSURANCE

1. What do I do in case I get involved in an accident?

Observe the guidelines issued to you by your insurer, and the authorities like the police. Ensure that, where possible, you document the accident and obtain a police abstract detailing the details of the accident. Call your insurance company/broker or agent as soon as possible to guide on the next steps following the accident.

2. What do I do when insurance is due or after I renew my insurance?

You may renew the cover through the NCBA Bancassurance Intermediary Ltd to enjoy competitive rates or use this link: <https://bit.ly/3ySncba> to access the list of the insurers who are in our prequalified panel. Once you renew the cover, please provide confirmation of renewal at your nearest NCBA branch or send it via insuranceupdate@ncbagroup.com.

Download the Insurance confirmation form here: <https://bit.ly/3KZ3iyy-ICF>

3. What happens if I failed to submit evidence of insurance renewal to the bank immediately after renewal?

Failure to submit insurance confirmation letter to the bank upon expiry of the existing insurance cover will prompt the bank to undertake measures that ensure that its assets are not at risk due to lack of insurance. This will include the bank debiting your current/settlement account with applicable premium amounts to cover its interest in the financed asset.

4. Must my car be insured through NCBA Bancassurance Intermediary Ltd?

For a seamless experience and convenience, the bank requires all its financed assets to be insured through the bank's approved underwriters, agents, brokers and intermediaries subject to (Insurance Regulatory Authority) IRA guidelines. You may renew the cover through the NCBA Bancassurance Intermediary Ltd to enjoy competitive rates or use this link: <https://bit.ly/3ySncba> to access the list of the insurers.

5. What are the current insurance rates?

Insurance rates vary dependent on a variety of factors such as preferred underwriter, as well as risks being insured. Kindly contact us on 0711056444 / 0732156444, email contact@ncbagroup.com or reach out to your Relationship Manager for more details on this.

6. Must the vehicle be financed by NCBA Bank to get insurance through NCBA Bancassurance Intermediary Ltd?

No. We offer insurance services for all persons regardless of whether they are NCBA Bank customers or not.



7. What insurance claims benefits am I entitled to?

- For motor private vehicles, you are entitled to towing and rescue and may be entitled to a courtesy car benefit if it had been paid for at the onset of cover.
- For motor commercial, you are entitled to:
 - Towing and rescue
 - May be entitled to loss of use benefit (A benefit due to a vehicle upon an accident, considered as the insured monetary losses at the time of accident. It may be the cost of hiring another vehicle during the time of repairs subject to the policy unit or even a courtesy car)
 - Zero disruption benefit (where your loan is paid for by the insurer for about 2 or 3 months)
 - Carrier's liability where the goods that are being carried are also covered in case of damage.
- For both private and commercial motor vehicles, you may also be entitled to Personal Accident benefit, where your medical bills in relation to an accident are paid for. This benefit is subject to settlement of an extra premium at the onset of cover.

INSURANCE AGAINST DEATH, DISABILITY & RETRENCHMENT

1. Can I take a credit life insurance cover against my asset finance loan?

Yes. Please visit any NCBA branch or contact us on 254711056444 / +254732156444 to get assisted in procuring your credit life insurance.

2. What does credit life insurance cover?

This is an insurance cover that will pay outstanding debt in the unfortunate event of the borrower's death.

3. What is the average cost of the cover?

The cost varies as per the insurance risk acceptance criteria. Kindly contact us for further advice.