

DISTRIBUTOR FINANCE FAQS

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1. What is a Distributor Finance Loan?

This is an unsecured loan available to approved distributors, retailers, and stockists who work with an approved main supplier and have been in business for at least 6 months.

2. What are the features of a Distributor Finance Loan?

- This is an unsecured loan and no security is required.
- The minimum loan limit is KES. 1,000.
- The maximum loan amount that you can qualify for is dependent on the industry you work in as well as your credit history.
- To qualify, you are required to have done business with a main supplier for at least 6 months and have an active NCBA Bank account.
- You can access the loan via NCBA Boosta App or the WEB.
- The loan limits are reviewed on a monthly basis.

3. What is eligibility for an NCBA Boosta Loan?

- The customer will be seconded to NCBA by the approved anchor.
- The customer will sign a data consent form to allow the anchor share their 6 months purchase history data in line with the Data protection Act
- NCBA will run the data through a digital scoring tool, to autogenerate a NCBA Boosta loan limit, that will be automatically sent as an invitation to the customer, whether banking in NCBA or not.
- As the customer accepts the NCBA Boosta facility, they will be prompted to open an account with NCBA if they do not hold one, together with collections solutions e.g. Tills to tie in majority of their CASA share of Wallet.

4. How long do I have to wait to qualify for a Distributor Finance after opening an account?

You qualify for a Distributor Finance Loan immediately, as long as you have been doing business with a main supplier for at least six months.

5. What are the pricing terms?

- Facility fees – Ranges between 0.5% - 4% per draw down, negotiated based on the customer's actual profit margins to ensure business sustainability
- Interest rate – as negotiated with the specific anchor and prorated to the number of days the facility has been outstanding, to encourage daily repayments.
- Excise duty – 20% of facility fees
- Penalty – 30% p.a. in case of default

6. What are the security & facility limits?

- No security/collateral required. The product is unsecured
- Minimum loan limit of KES 1,000.
- Maximum loan amount – Up to Kes 35M.

7. What is the charge when I apply for Distributor Finance?

A processing fee of between 0.5% - 4% is charged for each successful Distributor Finance Loan application as well as an insurance fee of 0.011% which is for 7 days.

8. What is the current interest rate for the Distributor Finance Loan?

The Distributor Finance Loan is currently offered at an interest rate of 21.6 % per annum. However, the rate is subject to change in line with the Central Bank of Kenya's (CBK) adjustments to the base lending rate, and customers will be notified whenever these changes occur.

9. How long does it take to receive the funds once you apply for a Distributor Finance?

Once the loan is processed successfully, it is disbursed immediately and the money is credited to the main supplier's account who will then proceed and deliver the stock ordered.

10. Who receives the NCBA Boosta Loan after disbursement?

- Upon borrowing digitally by the customer the funds are credited directly to the Anchor with unique identifier narrations

11. How can I grow my loan limit?

- By repaying your loan on time.
- You may consider increasing the number of times you conduct business with the main supplier.
- By maintaining a good Credit Score

12. How can I check my loan balance?

Once you log in to the NCBA Boosta App, the loan balance will be displayed on the landing page.

13. What is the repayment period?

Each main supplier will determine their own specific repayment period based on the duration it takes for products to be ready for sale. Say 7, 14, 21, 30 up to 90 days.

14. How can I repay my loan?

- You may initiate the loan repayment via the NCBA account.
- You can make the repayment from your Mpesa. You will initiate this from the NCBA Boosta App and a push notification will be received on your mobile phone for you to key in your Mpesa PIN for confirmation of the payment.
- The loan can also be automatically recovered from your NCBA account on the due date. You can choose either full or partial loan repayment option.

15. Can I top up my Distributor Finance?

Before borrowing again, you'll need to settle your current outstanding Distributor Finance loan first.

16. Can my limit be increased manually?

No. Your limit will be reviewed periodically based on the business volumes shared by the main supplier.

17. What will happen in case I delay to make my loan repayments?

- Your loan limit may be reduced.
- You may be denied access to another loan facility.
- The main supplier will be notified for them to stop further supply of stock
- You may also be listed on the Credit Reference Bureau (CRB).

18. Does my Credit Reference Bureau (CRB) score affect my Distributor Finance Loan limit?

Yes. You should maintain a good Credit Reference Bureau (CRB) score in order to continue enjoying the loan services.

19. When are the charges for the Distributor Finance Loan deducted?

The processing fee is charged at the beginning while interest is applied to the outstanding amount.

20. What charges will I incur if I repay my Distributor Finance Loan early?

You will not be penalized for early loan repayment; however, the interest will be calculated based on the number of days the loan has been active.

21. What steps should I take if the Distributor Finance Loan is not disbursed to the main supplier after submitting the request?

You may go ahead to initiate another request. If the issue persists, please feel free to reach out to us for assistance.

22. Can I pay off my Distributor Finance Loan before the due date and apply for a new one?

Yes, you may pay off the loan before the due date and apply for a new one thereafter.

23. Can the loan be accessed via NCBA NOW?

No. You may access the loan via the NCBA Boosta APP or WEB.

<Go to NCBA Boosta App, select "Apply Loan", Enter the amount, Select the loan tenure, Select the purpose and submit the request>

24. How can I access my loan statement?

You can visit your nearest NCBA Bank Branch or contact our Customer Contact Centre on the following: -

Phone: +254711056444 / +254732156444

WhatsApp: +254717804444

Email: contact@ncbagroup.com