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**SIAYA COUNTY GAZETTE
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**THE SIAYA COUNTY ASSEMBLY LOANS AND MORTGAGE
FUND ACT, 2015**

No. 2 of 2015

Date of Assent: 27th April, 2015

Date of Commencement: 27th April, 2015

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**THE SIAYA COUNTY ASSEMBLY LOANS AND MORTGAGE
FUND ACT, 2015**

AN ACT of the County Assembly of Siaya to establish a Loans and Mortgage Fund for the Members of the Siaya County Assembly, Staff and for connected purposes.

ENACTED by the County Assembly of Siaya as follows—

Short title

1. This Act may be cited as the Siaya County Assembly Loans and Mortgage Fund Act, 2015 and shall come into operation on the date of Assent by the Governor.

Interpretation

2. (1) In this Act, unless the context otherwise requires—

‘Applicant’ means a Member of the County Assembly of Siaya

‘Board’ means the Board established under section 7 of this Act

‘Borrower’ means a person in receipt of a loan and or mortgage out of the Fund

“Chief Officer” means the person appointed to administer the County department responsible for financial affairs;

‘Committee’ means any of the Committee established under this Act;

‘Governor’ means the Governor of Siaya County Government;

‘Member of the County Assembly’ means a member elected or nominated in accordance with Article 177(1) of the Constitution;

‘Member of the Executive Committee’ means the Member of the Executive Committee responsible for Finance;

‘Prescribed’ means as prescribed by the Member of the Executive Committee;

Establishment of the Fund

3. (1) There is established a Fund to be known as the Loans and Mortgage Fund

(2) The Fund shall be a body corporate with perpetual succession and a common seal, and shall have power to acquire, own, possess and dispose of property, and to contract, and to sue and be sued in its own name

Objectives of the Fund

4. (1) The object and the purpose of the Fund is to enable loans and Mortgages to be advanced to Members of the County Assembly of Siaya and Staff as may be prescribed by the Salaries and Remunerations Commission.

(2) With respect to the fund, the Members of the Siaya County Assembly shall each be entitled to a Car loan and or Mortgage facility as follows;

- (a) A maximum Car Loan facility of Kenya Shillings Two Million at three per centum per annum on a monthly reducing balance
- (b) A maximum Mortgage facility of Kenya Shillings Three Million at three per centum per annum on a monthly reducing balance

Provided that the Loan and or Mortgage money together with the interest accrued shall be repayable within the legislative term of the borrower.

Resources of the Fund

5. (1) The resources of the Fund shall consist of—

- (a) all sums of money received by or falling due to the Fund in respect of loans made therefrom and the interest on these loans;
- (b) any amounts that may from time to time be appropriated by the County Assembly
- (c) all sums of money borrowed by the Fund with the approval of the County Assembly for the purpose of exercising any of its functions or discharging any of its obligations;
- (d) all sums of money earned by or arising from investments made in respect of the Fund;
- (e) all other sums of money that may in any manner become payable to or vested in the Fund including gifts, grants and donations.

(2) There shall be paid out of the Fund any expenditure approved by the Member of the Executive Committee and incurred in connection with the administration of the Fund.

Financial Institution to be Designated Financial Agent

6. The Board may, by Notification to the County Treasury, designate a bank to act as the financial agent of the Fund and the bank so designated shall be subject to the terms and conditions of any agreement for the purpose between the Fund and itself.

Administration of the Fund

7. (1) A Loans and Mortgages Board of Management is hereby established for the purposes of this Act and shall consist of the following members

- (a) the Clerk of the County Assembly who shall be in charge of the administration of the Fund and Chairperson to the board
- (b) the County Chief Officer from the County department responsible for finance
- (c) employee of the County Assembly Service Board responsible for the Staff Welfare Committee of the County Assembly Service Board and shall be the Secretary to the Board
- (d) one person appointed to the County Assembly Service Board under section 12 (3)(d) of the County Government Act, 2012.

(2) The Board shall be responsible for the general administration and management of the affairs of the Fund and specifically, the Board shall be responsible for:

- (a) Making recommendations with respect to the conditions under which a loan and or a mortgage shall be granted or repaid under this Act;
- (b) Processing applications for the granting of loans and mortgages to Members of the County Assembly and the Staff subject to the provisions of any agreement relating to the provision of the loan and or mortgage;
- (c) Receiving, administering and investing the resources of the Fund;
- (d) Supervising the day to day running of the Fund;
- (e) Liaising with financial institutions (if any) to set up a revolving fund for the disbursement of the loans; and
- (f) Generally doing all that is expedient or necessary for the proper exercise of its duties and functions with respect to the fund.

(3) The Board may co-opt any one or more persons to attend any of its meetings for the purpose of assisting or advising the Board, but no person who has been so co-opted shall have the right to vote.

(4) The meetings of the Board shall be convened by the chairperson or in the absence of the Chairperson, by a member designated by the Chairperson and shall be convened at such times as may be necessary for the discharge of the Board's functions.

(5) The quorum for a meeting of the Committee shall be the Chairperson and any two members.

Appointment of Committees

8. (1) The County Assembly may appoint committees to examine and report to it on any matter whatsoever arising out of or connected with any of the boards powers and duties under this Act.

(2) The Board may by resolution declare the remuneration and allowances payable to persons, other than members of the Board, appointed to a Committee.

(3) The County Assembly may by resolution reject the report of any such committee or adopt it either wholly or with such modifications, additions or adaptations as the Board may think fit.

Applications to the Board

9. An applicant wishing to be considered for the grant of a loan and or mortgage facility shall make an application to the Board in the prescribed form.

Lien

10. The Board shall have a lien registered on the property financed through a mortgage granted under this Act and shall be entitled to have its name entered in all documents of title for such property.

Board to Keep Proper Records

11. (1) The Board shall keep proper accounts and other records relative to its duties and functions and shall prepare annually a statement of accounts in a form to be approved by the County Treasury.

(2) Not later than three months after the end of each financial year, the Board shall submit the financial statements prepared under this section to the Auditor General.

(3) The Board shall submit a copy of the report to the County Committee Executive member responsible for Finance, the County Assembly and the Controller of Budget.

Inducing the Board to get Loan and or Mortgage

12. (1) Every person who by making or causing to be made a false representation induces or attempts to induce the Board to grant a loan is liable on conviction to a fine up to a maximum of five hundred thousand or imprisonment for a term not exceeding six months, or to both.

(2) Nothing in this section precludes the instituting of any other proceeding under any other law.

Recovery of Loans and Mortgages

13. (1) Where a repayment of a loan and or mortgage is not made in accordance with the terms and conditions of the loan and or mortgage as provided for under this Act, the sums of money due and owing to the fund shall be recoverable by the board, without prejudice to any other remedy, in civil proceedings in the High Court.

(2) Such recovery shall include;

- (a) The sums of money specified as outstanding with respect to the principal sum initially advanced
- (b) Interest for the sum of money that remains unpaid
- (c) All reasonable costs and charges incurred by the board to recover the unpaid money and interest

14. Power to make Regulations

14. (1) The Board may, with the approval of the County Assembly, make Regulations generally for the proper carrying out of the purposes and provisions of this Act and in particular, may make Regulations—

- (a) providing for the administration, management and investment of the resources of the Fund;
- (b) requiring a loanee/mortgagee to whom a loan and or mortgage is made under this Act to furnish such information as may from time to time be required by the Board;
- (c) prescribing the basis on which a loan may be obtained;
- (d) prescribing the procedure to be followed prior to the obtaining of a loan and for payment of the amount due on a loan together with any interest thereon;

- (e) prescribing anything which may be or is required to be prescribed under this Act.

Transition Clause:

15. (1) In the absence of appointees to the offices relevant to the constitution of the Board as provided for herein, nothing shall stop the County Assembly from appointing an Interim Committee to deal with the functions of the Board until such time that the Board is fully constituted as provided for under the Act.

2. The Interim Committee as constituted shall be subject to the powers and mandate of the Board as provided for under the Act.

Remuneration of the Board

16. (1) The Board shall be paid sitting allowances as shall be determined from time to time by the County Assembly and shall not have more than three sittings a week unless the extra sittings are approved by the County Assembly.