

Humanitarian and Charitable ONE Trust (HACOT)  
34 Sun Street  
Waltham Abbey  
EN9 1EJ  
UNITED KINGDOM  
Tel: (01992) 718711  
Email: info@hacot.org  
Website: http://www.hacot.org  
UK Charity Registration No.

## Loan Agreement Form MICROFINANCE SCHEME

**THIS AGREEMENT** is dated ( ) and made between:

(1) HACOT (Herein referred to as the Charity and Lender) Charity No. \_\_\_\_\_ of 34 Sun Street, Waltham Abbey EN9 1EJ United Kingdom  
and (2) Mr \_\_\_\_\_ (Herein referred to as the borrower) of  
\_\_\_\_\_

**IT IS AGREED** as follows:

### 1 DEFINITIONS AND INTERPRETATION

‘**Application Form**’ means the application form submitted by the applicant for a microfinance loan for economic upliftment.

‘**Available Amount**’ means the amount under this Agreement given by the Charity (HACOT) to Mr \_\_\_\_\_ for the purpose of economic upliftment

### 2 THE FACILITY

2.1 Subject to the terms of this Agreement, the Charity ( HACOT ) will advance the sum of ( \_\_\_\_\_ ), the sums to be used only for the business plan identified in the Application Form as agreed by the parties.

2.2 The Loan period will start on \_\_\_\_\_ and continue for a period of \_\_\_\_ months until \_\_\_\_\_

### 3 CONDITIONS OF UTILISATION

3.1 Mr \_\_\_\_\_ agrees to verify his identification and sources of current income prior to the advancement of the loan

3.2 Mr \_\_\_\_\_ does not have any outstanding loans at present or any outstanding loans at present which the lender is not aware of

### 4 REPAYMENT

4.1 The borrower shall repay the loan in equal instalments every month for \_\_\_\_\_ months

4.2 A repayment schedule is attached, herewith

## 5 REPRESENTATIONS AND UNDERTAKINGS

5.1 The borrower represents that the entire sum borrowed under this Agreement shall be for the purposes of purchasing capital items and stock as identified in the Application Form and shall not be used for any other purposes.

5.2 The borrower undertakes not to sell any of the machinery, vehicle or stock or items purchased by way of this loan Agreement without the prior written consent of the Charity.

5.3 The borrower undertakes to provide the Charity financial statements and figures as agreed between the Parties every \_\_\_\_\_ months

5.4 The borrower represents that no Event of Default is continuing or might reasonably be expected

5.5 Any factual information provided by the borrower is true and accurate in all material aspects as at the date it was provided

## 6 EVENTS OF DEFAULT

Each of the events or circumstances set out below in Clause 6 is an Event of Default

6.1 Non-Payment. The borrower does not pay on the due date any amount payable unless the failure to pay is caused by administrative or technical error, or payment is made within 5 days of the due date

6.2 Any requirement under Clause 5 is not met

6.3 Misrepresentation. Any representation or statement made by the borrower is incorrect or misleading in any material aspect when made or deemed to be made

6.4 Insolvency. The borrower is unable or admits to inability to pay his/her debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness

6.5 Unlawfulness. It is or becomes unlawful for a borrower or lender to perform any of its obligations under the Agreement

Acceleration. On and at any time after the occurrence of an Event of Default the lender may:

- (a) Declare some or all of the loan immediately due
- (b) Declare the amounts outstanding payable on demand

## 7 GOVERNING LAW AND ENFORCEMENT

7.1 This Agreement is governed by \_\_\_\_\_ Law

7.2 The Courts of \_\_\_\_\_ have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement

Name of Lender: \_\_\_\_\_

Signature (1) \_\_\_\_\_ PRINT NAME \_\_\_\_\_

Signature (2) \_\_\_\_\_ PRINT NAME \_\_\_\_\_

Name of Borrower: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Witness: \_\_\_\_\_

Signature: \_\_\_\_\_