

COUNTY GOVERNMENT OF LAIKIPIA



MINISTRY OF TRADE, TOURISM & COOPERATIVES

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REQUENTLY ASKED QUESTIONS ABOUT LAIKIPIA ENTERPRISE FUND

Q1. As a youth how do I benefit from the loan?

Ans. You can benefit from the following ways.

- (a) Through start-up loans which can be up to ksh.50,000*
- (b) Asset financing – whereby property will co-joined*
- (c) Entrepreneurial skills through trainings.*
- (d) Exchange programs & exposure tours.*
- (e) Market linkages.*

Q2. What do I need to apply for the loan?

Ans.

Having accessed an application form, you can visit your ward C.D.A for guidance in filling the form

Q3. Where can I get an application form?

Ans

*Application forms are available in the C.D.A's office, the ministry of trade headquarters. You can also download an application form from the **Laikipia county website** and the www.destinationlaikipia.com website.*

Q4. What is the maximum or minimum amount that I can apply for?

Ans

The loans range from 20,000-200,000 Ksh for individual loans and Ksh 50,000-300,000 for group loans.

Q5. What is the interest rate for your loan?

Ans

*Our loan has an interest rate of 6% reducing balance. This however in our view is best explained as a management fee as it's not too much burden to the applicant. The government is also **NOT** on a mission of profit making.*

Q7. What is the time-line for paying the loan?

Ans

All loans are payable within a period of two (2) calendar years. However if applicant is capable of paying within a lesser time, they are encouraged to do so.

Q6. How can I re-pay the loan?

Ans

*All payments shall be made through bank and M-PESA paybill. **NO CASH TRANSACTIONS SHALL BE ALLOWED.***

Q7. Will I be required to save a specific amount for me to qualify for a loan?

Ans

NO. The enterprise fund is open to all public. The enterprise fund is NOT a financial institution and its main aim of this fund is to empower business people.

Q8. As a farmer, how can I benefit from the enterprise fund?

Ans

Farmers are encouraged to apply loans under contract farming. However, plans are underway to deliver a loan product which will farming-oriented. Subsistence farmers can however apply for the funds.

Q9. How can I benefit from the loan if I am intending to start up a new business?

Ans

We have a product called asset financing where the equipment will be co-owned between you (the applicant) and the enterprise fund.

Q10. What is the criterion for qualifying on Asset financing?

Ans

The applicant is required to attach in the application form the; KRA Pin, ID photocopy, Bank AC statement. The applicant MUST also be ready and willing to fully insure (comprehensive) the asset.

Q11. What qualifies to be collateral?

Ans

The following items could be used as security;

- (i) Household assets.*
- (ii) Farm animals.*

(iii) Motor-vehicles, motorcycles, tuktuks and other business assets.

(iv) Shares (from registered companies) and insurance.

(v) Asset financed (for asset financing).

Q12. Can a guarantor provide collaterals?

Ans

YES. The guarantor can use his property as collateral. Youths applying for loans can use their parent as a guarantor and use their (parent's) property as collateral.

Q13. Is it compulsory for me to insure my collaterals?

Ans

YES. All collaterals MUST be insured before disbursement of the loan. This is essential so as to prevent risks e.g. theft, sickness etc.

Q14. How shall I be assured of the security of my collaterals?

Ans

*Charging of collaterals will be a legal process involving an advocate as a witness. Applicants will sign transfer forms. All logbooks and other documents shall be under safe custody of the **COUNTY GOVERNMENT OF LAIKIPIA.***

Q15. Where shall I return the application form?

Ans

Return a duly filled application form to the C.D.A's office. The C.D.A shall then forward your form to the fund manager who shall then present the form to the board for evaluation.

N.B charging of collaterals will be done after evaluation by the BOARD