

**UNITED NATIONS SACCO SOCIETY LIMITED
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5th November, 2014.

TO ALL MEMBERS

UNITED NATIONS SAVINGS AND CO-OPERATIVE SOCIETY LIMITED.

SUBJECT: UN SACCO EDUCATION DAY REPORT

Education Day Updates

UN SACCO held its Education Day on 19th September, 2014 where guest speakers shared with members their expertise and experiences on emerging business issues and opportunities; thereby empowering us with relevant knowledge not only to effectively manage our Sacco, but to also improve the members our socio-economic status.

Members who attended the function now have a clear understanding on the changing regulatory environment, new laws affecting the SACCO business, the need to balance payment of returns to members and retention to finance future organization growth, smart investment and governance within our organization.

Share Banding and Bridging Fees

In line with the promise made in my speech during the last Annual General Meeting, the Board recently reviewed its deposit contribution banding and bridging fees to take into consideration your views and the interest of UN SACCO.

Effective 1st January 2015, **monthly deposit contribution** will be **0.2%** of the upper limit of the loan applied for, with the minimum amount being **KShs. 2000.00**, while **Bridging fee** will be a percentage of the outstanding loan amount as tabulated below:

Loan Range in KES	Bridging Fee
0 - 1,000,000.00	3.0%
1,000,000. – 5,000,000.00	2.5%
Over 5,000,000.00	2.0%

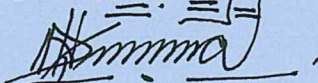
Implementation of the One – Third Rule

In an effort to comply with the Employment Act (Cap 226 of 2007, revised 2012) which provides that total deductions for an employee should not exceed two thirds of total employment income, UN SACCO in compliance with the laws of the Republic of Kenya and United Nations policy requiring staff members to meet their private legal obligations, and upon mutual concurrence with the UNON Management, have implemented this in two phases (One – Sixth in October 2014 and the other One Sixth in October 2015).

Effective 1st October 2014, loan appraisals will be subjected to the One – Sixth rule in which a member will be left with at least one – sixth of their Net Salary after loan deduction(s).

While this legal compliance requirement may affect members adversely it is incumbent upon the current board to ensure your Sacco is shielded from punitive penalties arising from breaching the law. We will soon be rolling out new products in response to the changing business environment to ensure the Sacco continues *to uplift the socio-economic status of the members by offering them high*

quality, affordable and diversified financial services



Dennis Kerina

CHAIRMAN-UNSACCO