

INSTITUTE OF JAMAICA
GUIDELINES FOR
REVOLVING LOAN SCHEME

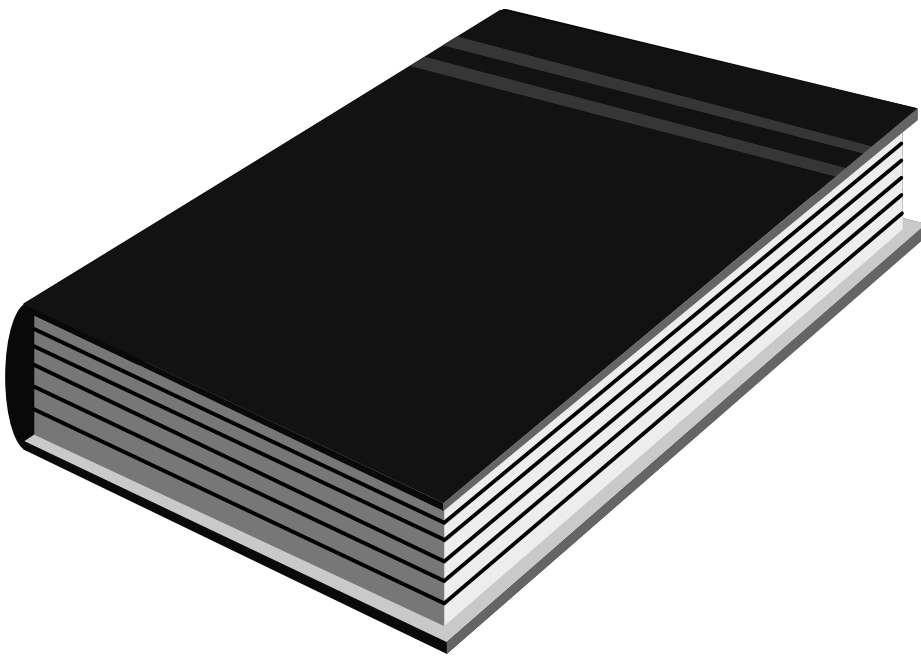


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SALARY ADVANCE

- 1) Salary advance may be granted under the following conditions:
 - a) training
 - b) illness which is not covered by Sagicor Life Jamaica Health Scheme
 - c) death of an immediate family member.
 - d) building or repairs to house (only in an extreme case of emergency)
 - e) repairs to car
 - f) down payment on the purchase of house
 - g) exam fee
 - h) fee for the purchase of books for courses
 - i) school fees for children
 - j) computers
 - k) motor vehicle insurance premiums to travelling and non-travelling officers
- 2) EXEMPTION
 - a) Loans for the purchase of motor car
 - b) Loans to members of staff for building or repairs to houses will not be supported except in extreme cases of emergency
- 3) Salary advance will be subject to the availability of funds.
- 4) The maximum salary advance, which may be granted, will be \$150,000.
- 5) Loans will be available to fulltime permanent members of staff.
- 6) The salary advance should be repaid in at least twenty-four (24) monthly instalments. Interest will be charged at the rate of 8% per annum on the monthly reducing balance.
- 7) Where a Contract Officer is granted this loan, any balance outstanding will be recovered from any gratuity payable to him/her or leave being paid for at the end of the contract. If a gratuity is not payable then the loan should be recovered as if he/she is a regular permanent member of staff.
- 8) Applicants will be required to provide one or two sureties depending on the amount involved. In the event that the employee leaves the Institute then the surety/sureties will be required to pay any outstanding balance plus interest. This is after any amounts due for outstanding salary or salary in lieu of leave is applied against the outstanding balance.
- 9) Persons will be eligible for a single loan within each 12-month period.
- 10) Loan applicants must:
 - ◆ Complete a Salary Advance Application Form
 - ◆ Provide supporting documents for example bills showing cost.
 - ◆ Provide Sureties
- 11) Repayment of loan will begin one month after the granting of the loan.

**INSTITUTE OF JAMAICA
SALARY ADVANCE APPLICATION FORM
(TO BE COMPLETED IN TRIPLICATE)**

NAME OF APPLICANT _____ DATE _____

DIVISION: _____

POSITION: _____ DATE OF EMPLOYMENT _____

DATE OF PERMANENT APPOINTMENT: _____

I am requesting a loan in the amount of _____

_____ Dollars (\$ _____) for the following reason (s)

_____ to be repaid by monthly/fortnightly salary deduction

of _____ Dollars (\$ _____)

commencing on _____, if so agreed.

FOR ACCOUNTS DEPARTMENT USE ONLY	
Basic Salary: Monthly/Fortnightly:	_____
Previous Loan Balance: \$	_____
Current Loan Request: \$	_____
Total Amount of Loan: \$	_____
Duration of Loan:	_____ months
Monthly/Fortnightly repayments:	_____
Repayment Commences:	_____
Repayment Ends:	_____
Comments/Recommendations by Financial Controller/Accountant:	_____
Signature of Financial Controller/:	_____
Date	_____

In respect of the loan of _____ Dollars (\$ _____) which has been granted to me,

I hereby authorise the Institute of Jamaica to deduct an amount of _____ Dollars (\$ _____) from my monthly/fortnightly salary for a period of _____ (_____) months, commencing on _____ and ending on _____

I understand that the loan will attract an interest rate of 8% per annum.

In the event of termination of my employment with the Institute of Jamaica, or any other unforeseen circumstances, I also authorize the Institute of Jamaica to deduct the amount outstanding on this loan from any money which is owing to me by the Institute of Jamaica, including the vacation leave which is being held, salary, retroactive payments, etc.

Signature of Applicant _____
Date

Approved by Executive Director _____
Date

Noted on Accounts Records: _____ Date: _____

Name of Accounts Clerk: _____ Date: _____

**SURETY FORM
INSTITUTE OF JAMAICA**

I,

Post.....Ministry/Department

Date of 1st Permanent Appointment

Currently standing Surety for:-

..... **Ministry/Department**

..... **Ministry/Department**

Surety in respect of Motor Vehicle Loan Miscellaneous Loan Salary Advance Computer Loan
Tertiary Education Loan (Tick to be placed in box applicable)

In consideration of the INSTITUTE OF JAMAICA making a loan of

..... (\$)

to

of (Home address)

Do hereby undertake to pay to the INSTITUTE OF JAMAICA in full any balance outstanding on the said loan on the happening of any of the following events:-

- (a) **Dismissal of the said**
By the INSTITUTE OF JAMAICA
- (b) **Cessation of employment of the said**
By the INSTITUTE OF JAMAICA
any other Statutory Body, or Government Department
- (c) Death or Bankruptcy of the said
- (d) Departure from the Island of Jamaica of the said
- (e) Resignation of the said

Are you re-paying any of the following:		Monthly Repayment	Outstanding Balance
Motor Vehicle	No___ Yes___	\$ _____	\$ _____
Miscellaneous Loan	No___ Yes___	\$ _____	\$ _____
Salary Advance	No___ Yes___	\$ _____	\$ _____
Computer Loan	No___ Yes___	\$ _____	\$ _____
Education Support	No___ Yes___	\$ _____	\$ _____
Any Other	No___ Yes___	\$ _____	\$ _____

Last three (3) pay slips to accompany form in respect of Tertiary Education Loan

Dated thisday of
Year Two Thousand and Seven

Signature

Home Address

Witness
Justice of the Peace

Address

N. B. (SURETIES SHOULD NOTE THAT IF THE OFFICER RESIGNS OR IS DISMISSED FROM THE SERVICE, THEN ANY OUTSTANDING BALANCE WILL BE DEDUCTED FROM THE SURETIES SALARIES)

MOTOR VEHICLE LOAN

The Ministry of Finance and Planning has approved a revolving car loan scheme to assist travelling officers to access reliable motor vehicles. All requests will be evaluated based on the point scoring system.

PROCEDURE

- a) All applicants for a revolving car loan must complete the car loan application form.
- b) All applications must be first reviewed by the Head of Division and the section on job performance completed. This is followed by submission to the Procurement Committee for final approval.
- c) **All successful applications must be supported by a valuator's report in the case of a used car or a proforma invoice for a new car.**
- d) A letter of undertaking must be issued and signed by signatories on behalf of the Institute stating a commitment to pay on condition of the Institute receiving the Certificate of Title duly transferred in the name of the borrower with the interest of the Institute stated on the title and on the insurance policy.
- e) Following presentation and approval of the requisite documentation, the cheque will be given for the agreed loan amount.
- f) A repayment schedule will be prepared for the borrower and a copy will be given to the Payroll Clerk for the salary deductions to be made.
- g) Adequate comprehensive insurance coverage must be maintained on the vehicle for the life of the loan.
- h) Ensuring that the Institute's interest is stated on the title and insurance documents.
- i) All documents pertaining to the car and detailing the loan conditions are to be put in a file created for each borrower.
- j) The vehicle must be bought through a dealer that is recognised by the Institute.
- k) Applicants must be in possession of a valid driver's licence.
- l) Successful applicants will be required to:
 - 1) Indicate in writing acceptance of the loan.
 - 2) Access the loan amount within a one-month period.
- m) All conditions and policies outlined will be followed strictly.

INSTITUTE OF JAMAICA

MOTOR VEHICLE REVOLVING LOAN SCHEME

CONDITIONS FOR PARTICIPATION

1. Maximum loan allowed will be as follows:-

For new car: \$800,000.00

For used car: \$500,000.00

2. No employee will be granted a loan to purchase a vehicle under five (5) years, that is, only one (1) loan in a five (5) year period.
3. Employees must be permanently employed and must have served their probationary period of service.
4. Loans should be repaid over a 4-5 year period for new vehicles and 3-4 years for used vehicles.
5. Loans will not be granted for vehicles over five (5) years old.
6. The employee should produce a receipt for the difference between the purchase price and the loan being granted before the loan is paid and the loan should only be paid to the company or person selling the vehicle or a lending Institution which will not be holding a lien or will release the lien on the vehicle to the Institute of Jamaica.
7. The Institute of Jamaica shall hold the lien on the motor vehicle until the loan is repaid in full. This means that the employee will have to sign a Bill of Sale and meet the cost of stamping.
8. The Institute of Jamaica's interest must be stated on the title and insurance documents. The original title will be given to the borrower and a copy kept on file. The Institute of Jamaica will give a release when the loan is repaid.
9. Participants must insure the vehicle comprehensively and the lien registered with the relevant Insurance Company.
10. Employees getting loans will also be required to provide two (2) Sureties and in the event that the employee leaves the Institute of Jamaica without the loan being repaid, the Sureties will be required to pay any outstanding balance. This is after any amount owing to the employee is held and applied against the outstanding balance.
11. Approval of a loan will be subject to availability of funds in the Motor Vehicle Revolving Loan Scheme.
12. The Procurement Committee will review applications in the months of November, February and June of each year.
12. Unsuccessful applicants may re-apply. Applications will not be held for more than a calendar year.
13. Applicants must be in possession of a valid driver's licence.

INSTITUTE OF JAMAICA
REVOLVING CAR LOAN SCHEME
POINT SCORING SYSTEM

1. YEARS OF SERVICE	POINTS	SCORE
10 Years Upward	10	
6-9 Years	8	
3-5 Years	5	
2 Years	2	
2. POSITION	POINTS	SCORE
Senior Management	10	
Middle Management	8	
Technical	7	
Secretarial/Clerical	5	
3. JOB PERFORMANCE	POINTS	SCORE
Satisfactory	10	
Unsatisfactory	4	
5. DEDUCTION FOR OWING A VEHICLE	POINTS	SCORE
1-3 Years Old	6	
4 Years Old	4	
5-7 Years Old	2	

Notes:-

1. Staff who already own a vehicle (0-7 years old) will have less priority than those staff who:
 - do not own a vehicle or
 - own a vehicle over ten years
2. Deduction of points for staff who already own a vehicle will be as per item 5 above.
3. Note 2 will not apply if the applications are re-financing.

INSTITUTE OF JAMAICA
CAR LOAN APPLICATION FORM

NAME:	
POSITION:	ANNUAL
INCOME:	
1. What is your date of employment?	1
2. What is your date of permanent appointment?	
3. Are you a travelling officer? ~ Yes ~ No	
5. a) Do you currently own a car? Yes No b) If yes, what year is it?	
6. What is the Car Loan required for Purchasing a vehicle Re-Financing Other	6
7. Have you previously applied for a Car Loan Yes No	
8. How much is required? J\$.....	
<u>EMPLOYEE'S DECLARATION</u>	
<p>I certify that the information I have recorded on this form is accurate and complete. I further certify use of loan proceed solely for the purpose indicated. I understand that if successful the Institute will require Bill of Sale, Purchase Agreements and proof that the interest of the Institute is noted on the Certificate of Title and Insurance Policy. I accept all legal cost associated with the preparation of the Bill of Sale and lodging of such at the Registrar General Office plus any other costs.</p> <p>In addition, I understand that if I should leave the employ of the Institute of Jamaica, the full balance outstanding <u>MUST</u> be paid immediately.</p> <p>Employee's Signature:..... Date:.....</p>	
<u>OFFICIAL USE ONLY</u>	
Y.O.S	TOTAL
P.	
J.P.	
T.S	