



## **MOBILE BANKING - SPEED LOAN**

**THE FOLLOWING TERMS AND CONDITIONS REGULATE THE RELATIONSHIP BETWEEN YOU (the Borrower) AND MIBANK (the Lender).**

### **1. INTERPRETATION**

**Lender** refers to Nationwide Microbank Limited which is a Bank that lends money.

**Borrower** refers to a person or organization or company that takes out a loan from the Lender under an agreement to pay it back later with interest.

### **2. INTRODUCTION**

**2.1** By electronically advising and acceptance by confirmation of a personal PIN Number, you agree to accept these Terms and Conditions of this loan and it represents a legally binding agreement between the Borrower and the Lender.

**2.2** If you subsequently accept these terms and conditions of the Loan as Borrower the rights and obligations owed shall be governed by the Laws and Regulation of the Independent State of Papua New Guinea.

**2.3** It is important you read these Terms and Conditions before applying for this loan product.

### **3. ONLINE SPEED LOAN**

**3.1** Through the Website (and or other off-line medium) the Lender's principal role is to lend money to the borrower through a provided streamlined electronic process to obtain the loan and to coordinate and facilitate the payment and collection of money due, including certain recovery actions upon the borrower's default as set out in these Terms and Conditions.

### **4. PURPOSE OF LOAN**

**4.1** Any legitimate purpose.

### **5. ELIGIBILITY CRITERIA/ OTHER REQUIREMENTS OF BORROWING MONEY**

**5.1** The following eligibility criteria must be satisfied before accepting these Terms and Conditions.

**5.1.1** The borrower must have Deposits in the Savings Account or in a Fixed Deposit Account to cover the loan exposure.

## **6. THE TERMS AND CONDITIONS (The Agreement)**

- 6.1** The Terms and Conditions shall be referred to as the “Agreement”.
- 6.2** Loan under this category of loan will be subjected to this agreement.
- 6.3** The acceptance and acknowledgment of this agreement shall be done through a streamlined electronic process supplied by the Lender.
- 6.4** On execution of this Agreement, the Lender will charge the Borrower a fee (the Loan Processing Fee) a sum equal to 3 % of the principal loan amount. The Loan Processing Fee shall be deducted from principal loan.
- 6.5** Upon the Agreement being executed and where applicable any security being given, the loan request or loan application will then be fully satisfied by the Lender by way of bank transfer to the borrower’s nominated bank account number.
- 6.6** No funds will be transferred to a Borrower or their legal representative(s) until all loan completion requirements have been complied with and completely satisfied in a timely manner. The Lender reserved the right to retain the funds, should a borrower fail to complete the loan completion process in a timely manner

## **7. LOAN REPAYMENT**

- 7.1** The borrower shall repay his loan by way of monthly installment of the agreed amortization or the agreed installment amount.
- 7.2** The Term of the loan repayment varies from 3 to 24 months.
- 7.3** Should the loan go into arrears greater than 90 days after, the lender reserves the right of Offset.

## **8. COLLATERALS**

- 8.1** The Borrower must provide collaterals of Deposit in the Savings Account or in a Fixed Deposit Account, and;
- 8.2** The Borrower agrees that the Lender reserves the right of Offset.

## **9. INTERESTS, FEES & CHARGES**

- 9.1** Interest on the loan will be deemed to accrue on a monthly basis.
- 9.2** The Loan Agreement sets out the terms and regulates the payment of the Loan repayments by the Borrower.
- 9.3** The interest rate 2% is charged at the end of each month.

## **10. PENALTY FEE**

- 10.1** The Lender shall charge a fixed penalty amount per day for delayed payment starting from the first day after an installment fell due and was not fully paid.

## **11. DEFAULT**

- 11.1** If the Borrower misses, fails to pay partly or in full, one or more consecutive monthly installments, or is found to be in breach of the Agreement shall be deemed to be in default. When the loan is deemed to be default, the Lender will notify the Borrower.
- 11.2** When a borrower fails to repay his/her loan on the agreed scheduled date he/she shall be immediately (next day following the deadline) verbally informed of this breach electronically or in person and advised of the consequential effects of failure of repayment of loan.
- 11.3** In the event that the borrower fails to comply with the terms of the agreement, specifically, failure to do monthly installment, the Lender reserves the right to take legal action against the borrower to recover the principle, interest and penalty fees due.
- 11.4** The Lender shall be at liberty to apply the borrower's savings against the overdue payments during the term of the loan. If after such application was made and if an amount still remain overdue, the lender reserved the right to collect the outstanding overdue amount either by other cash held in accounts or through legal action.

## **12. DEFAULT NOTICE**

- 12.1** The Lender shall serve on the Borrower the First Notice, which may be sent via SMS immediately after first failure to repay his/her loan according to the repayment schedule.
- 12.2** The Lender shall serve a Second Notice rather the Arrears Notice If the Loan falls in to arrears for the second month.
- 12.3** The Lender shall serve a Letter of Demand on the Borrower, demanding the Borrower to settle his/her total outstanding balance.

## **13. SET OFF**

- 13.1** The Lender reserves the right and authority to seize the Borrower's deposits when the Borrower default on a loan.

## **14. MISSED REPAYMENTS**

- 14.1** If the Borrower fails to make full repayment (including interest) to the Lender, according to the repayment schedule, the Lender shall follow up by:
- 14.2** a phone call to ask the borrower to pay the overdue amount immediately; or
- 14.3** Through a reminder letter or SMS served on the Borrower.

**14.4** If the borrower fails to make his or her repayment according to the repayment schedule, the Lender reserved the right to set off from the collateral that was pledged.

## **15. REPEAT AND MULTIPLE LOAN**

**15.1** The Lender does not provide for repeat or multiple loans under this category of Loan.

## **16. CANCELLATION OF LOAN REQUEST OR APPLICATION**

**16.1** If the loan application or request is approved and is fully funded but the borrower decides not to proceed. The Lender reserved the right to retain the principle amount plus the future interest and the loan processing fee.

**16.2** Upon cancellation of loan request the Lender shall collect from the Deposit in the savings Account or in a Fixed Deposit Account;

**16.2.1** the Loan Processing Fee at 3% of the principle loan amount, and;

**16.2.2** Two (2) months Future Interest, and;

**16.2.3** Other applicable bank fees or charges.

## **17. LAWS AND REGULATIONS**

**17.1** These terms and conditions are governed by laws and regulations of the Independent State of Papua New Guinea.

**17.2** The Lender is a Bank and is also governed by the Bank and Financial Institutions Act and the Company Act.