Watch out for unexpected fees: Ask your lender carefully about fees connected with drawing up the loan



You pay interest on a loan.

You can always negotiate to get a lower interest rate on your loan. Compare the loan terms offered by your lender with those of other competitors and then negotiate the best deal.

WHAT TYPES OF LOANS ARE AVAILABLE TO YOU?

There are two types of Loans:

Unsecured Loans: This is a loan arrangement in which collateral or guarantee is not pledged. The loan is granted on the good credit of the borrower.

Secured Loans: These are loan arrangements in which collateral or quarantee is pledged.

THE TERM OF A LOAN

The term of a loan is the repayment period. This means it is the length of time during which you are required to pay back the loan e.g. a 3 year personal loan.

Many people invest their savings to enable them achieve a financial goal like buying a house, buying a car or starting a business. There are, however, times that the investment so far made is insufficient to help us meet our financial goals including kick-starting a wealth creation process.

Taking a loan can help you meet your financial goal, but only when you carefully consider the responsibilities associated with taking the loan. It is, therefore, advisable to take a loan only when all other options for accessing resources including your savings or investments have been fully explored and your financial outlook justifies taking on this further responsibility.



Use the loan for the intended purpose.

Before you sign for the loan, ask yourself if you really need the loan. Is it something you could save up for? Chances are you may not need the loan as badly as you think you do. Get a loan only when you need it and when it is the only option left.



Do not take more than one loan. Too many loans may strangle you.

As much as possible do not borrow multiple loans as you may face problems making multiple loan repayments at the same time.

HOW AND WHERE CAN YOU TAKE A LOAN?

There are many financial institutions that offer loans to individuals. These include banks, building societies, micro finance institutions, leasing companies etc.

A variety of loan arrangements are offered by different financial institutions and they are always happy to advise you on what best suits your specific need and how you should go about your loan application and relevant arrangements.

It always helps to operate an account at the financial institution you hope to borrow from.

Before you go to the lender, make sure you know your exact purpose for the loan, how much you need, how long it will take you to repay the loan and what collateral you can provide.

Every loan taken must be paid back. The financial institution gives you the loan from the savings or investments other people have made with it. You must therefore pay back your loan so that others who provided the funds to the financial institution can be paid. Again the financial institution uses the same pool of funds to give loans to its customers, it is therefore when you pay back your loan that other customers including your friends and relatives can also be granted loans by the financial institution.

A loan always comes with a repayment schedule which indicates the loan instalment amount and dates that the borrower must repay the loan. If you fail to meet the repayment schedule of your loan, you lose the trust of the lender and a penalty may be imposed on you. If you persist in failing to meet the repayment schedule, the lender may take legal action against you.



If you pay your loan on time, your financial institution can provide loans to other clients.

Avoid late repayments to avoid payment of penalties.

Ask your financial institution about the types of loans they offer and determine which of them is suitable for you.

WHO CAN ACCESS A LOAN?

Everyone can seek to obtain a loan but loans are normally given to people who are considered to be in a position to pay back the loan, e.g. someone gainfully employed or self-employed.



Carefully read the terms and understand the type of loans that best suits your needs.

Traditionally, lenders look at what are called the 5 "Cs" of credit namely:

Capacity: This is what makes the lender confident that a borrower has the resources and ability to pay back the loan. The borrower's ability to generate sufficient cash flow is what the borrower uses to convince the lender of their ability to pay back the loan.

Character: This is what makes the lender confident that the borrower is credible and responsible and will not suddenly disappear if he/she runs into financial problems.

Collateral: To ensure that borrowers pay back loans they have taken, they may be required to put up a personal or business asset that may be used to secure the loan. This asset may be used to offset the unpaid loan if the borrower defaults in paying back the loan. Collateral may be in the form of equipment, buildings, vehicles, inventories or stocks of goods. Financial assets, such as shares and bonds may also be accepted by lenders as

Capital: This is a measure of financial strength of a borrower. It is concerned with the tangible net worth (assets liabilities) and ratio analysis of the borrower's most recent financial statements

Conditions: This refers to the lender's assessment of the changes in the industry, the general economic conditions; seasonal fluctuations in income or cashflow, and specific industry/employment characteristics that affect a borrower's ability to repay the loan regularly.

Sometimes financial institutions ask their borrowers to provide "guarantors" to further strengthen their security requirements. The quarantor is usually someone who is gainfully employed. He or she accepts to make good the loan to financial institution in the event that the borrower defaults in payment. As a borrower you are not supposed to make any payment to the guarantor if he or she offers to be a guarantor.

Think twice before borrowing against your home or retirement account. Never offer something as security that you cannot live without. Usually, lenders base their lending decision on good credit and character of a borrower. They use collateral only as a last resort. For example, in granting a loan to a worker who has an assured salary, the lending institution will look for that worker's pay slip and a letter from his/her employer that his/her salary will be paid through the bank. For a self employed person, the lender would usually request for business registration documents as well as statements of his/her earnings or bank accounts.

When requesting a loan, you should try to put yourself in the potential lender's position. You know your business, and you are confident about its results and your ability to repay the loan. You need to convey that same confidence to the lender.

HOW TO MANAGE YOUR LOAN

Every day we are confronted with many situations for which money is required. We may always be tempted to apply a loan amount to a totally unrelated need. For example, you may take a loan for your business with the intention of paying it back with revenues from the business but find yourself spending it on your wedding. This may create problems for you. There are some things you can do to ensure that the loan you have taken does not end up becoming a burden for you. They include the following:

Apply the loan amount in a way that enables you to pay it back as agreed with the financial institution (the lender). Negotiate for payment options that fit your income stream or your business operating cycle. For example, if you collect cash every 90 days, then opt for a quarterly payment on interest and principal.

Make payments on time! This boosts your credit rating and improves your chances of getting future loans at lower interest rates.

A financial institution can make a mistake, so keep records of your payments. Closely review your bank statements and other correspondence from your lender. This will help you detect errors, unauthorized withdrawals, and matters you might want to question or challenge.

TAKING A LOAN - SOME BASIC STEPS

Below we present the basic steps for taking a loan from a financial institution:

- 1 Ask an official of the institution about the different forms of loans they offer
- 2. Once you receive the information either orally or in writing, take a bit of time to think about it and relate it to your current situation and your financial need.
- 3. Select the loan option that best fits your life situation.
- 4. Make a loan application to the financial institution for your loan request to be approved.
- 5. The staff of the financial institution will give you a form to complete and will help you to complete it.
- 1. This form usually requires the following information:
- a Name:
- b. Date of birth/age; c Occupation:
- d. Address
- e. Identification e.g. National Registration Card, passport, birth certificate.

The financial institution may verify your personal information and address using any one or more of the following methods:

Utility bills such as an electricity, water, telephone or property rate bill. Some financial institutions may also accept any of the mentioned bills in the name of your landlord.

Obtaining a reference from a professional or a letter from your employer or school;

A known customer of the regulated institution; or

A customary authority, civic or community leader that knows you.

Once you have gone through the formalities, a loan agreement or contract will be prepared for you to sign to enable you to have access to the loan amount granted you.

Do not lie in your loan application; be honest about the reason you want the loan.

To lower your risk and improve your chances of getting a loan, you need to present the lender insights into your income that may enable him to easily approve your loan.

Watch out for unexpected fees! Ask your lender carefully about fees connected with drawing up the loan documents, or other costs.

Before you sign the paper work, find out about the loan processing fees which may be payable in lump sum at the time the loan is disbursed.

FINANCIAL EDUCATION FOR ZAMBIA















MUZIBE ZEÑATA KAZA MALONI

KNOW MORE ABOUT LOANS



MUZIBE ZEÑATA KAZA MALONI!

Muunge kuli mutokwa hahulu-hulu mali a kuyahisa ndu, kulifela mwanana kwa sikolo, kuleka lika za mwa ndu, kulifela lituto za mina, kuleka lilimiso kapa mota, mi mufumana kuli hakuna komukona kuafumana. Mukaswana mwabata kuunga loni. Loni ki sikoloti saakupile mutu.

Nzila yetumile kakufitisisa ya kukolota mali ki kuya kwa panga kapa kampani yeñwi yaza mali. Hape mali akona kukolotiwa ku mutu yomuñwi kapa kwa sikwata sa batu.

Loni ikona kufiwa mutu alimuñwi, sikwata sa fa silalanda, kampani kapa kopano. Loni hañata itomelwanga nako yekona kuba mazazi, lisunda, likweli, kapa lilimo kuli ilifiwe.

Mutu kapa kopano yeenga loni pili iamuhelanga mali kuzwa kuyabafa loni, mi balumelanga kuilifa ku muñaa loni kakupumakela.

Muhupule kuli loni yapili hañata kiyona yeli taata kakufitisisa kuifumana. Hañata bakolotisi batabelanga kukolotisa batu beseba kile bakolota nihaiba hañwi. ili beneba kutisize sikoloti kabunako.

Mubone teñi kuli mwautwisisa kuli likuka ze zamaisa kufiwa loni yeo. Kamutala, kana kunani miinelo ili moo mukolotisi abata kuli loni ilifiwe? Ñambeko yelukela kulifiwa ikona kucinca kapa kuekezwa mwa miinelo mañi?

Mulelele cimo! Kulukiswa kwa maloni kuli afite fa kufiwa kuunganga nako.

MUKOLOTI NI MUKOLOTISI Mwa tukiso ya loni, mutu ya amuhela mali ki MUKOLOTI mi ya fa mali ki MUKOLOTISI.

Kamokuswanela kubela, mukoloti ulifa mali atomilwe kakweli ili akopanyeleza kalulo ya mali akolotilwe kubeya ni ñambeko fahalimu.

Mukupe yemukolota kuyena kuli ataluse lika zemusa utwisisi. Haiba hamulati moya wa mukolotisi, muyokolota kusili.

TIFO YA ÑAMBEKO

Loni kamita izamaelelanga ni tifo ya ñambeko. Ñambeko ki tifo ye lumelelanwi yeo mukoloti alifa fahalimwa mali akolotile. Tifo ya ñambeko yeo hañata ibanga mwa mifuta yemibeli:

TIFO YA ÑAMBEKO YE CINCA-CINCA

Yeo ki tifo ye pahamanga kapa kukutela mwatasi kakuitinga fa miinelo.

TIFO YA ÑAMBEKO YESACINCI

Tifo yeo haicinci mwahalaa nako kaufela yeilifiwa loni, kusina taba ni kuli litifo za ñambeko kai ni kai za cinca kana kutokwa

Mutokomele litifo zesika libelelwa: mubuze mukolotisi kaza litifo za kulukisa mapepa a loni, kapa litifo



Kulifiwanga ñambeko fahalimwaa tifo ya loni.

Mwakona kukupa kuli mulifiswe ñambeko yenyinyani fa loni ya mina. Mubapanye likuka za kufiwa loni za bakolotisi bamina ni za babañwi babafanga maloni mi cwale mukupe kuli mufiwe loni ka kulatelela likuka zende kakufitisisa.

KI MIFUTA MAÑI YA MALONI YEMUKONA KUFUMANA?

Kunani mifuta yemibeli ya Maloni:

Yeki loni yesatokwi swalele. Loni ye ifiwa kakusepa ya kolota.

LONLYE ZAMAFI FLA NI SWALFLE:

Tukiso ya loni ye kiya kuli kuswanela kuba ni swalele.

Likuka za loni ki nako foiswanela kufelezwa kulifelwa. Kunani nako yetomilwe fomuswanela kufeleza kulifa loni, inge cwalo lilimo za talu haiba ki loni ya kabutu.

BATU BAANGELANGAÑI MALONI?

Batu babañata babulukanga mali kuli bakone kupeta lika zecwale ka kuleka ndu, kuleka mota, kapa kukala pisinisi. Kono fokuñwi kubanga kuli mali elunani ona haakwanisi zelubata kueza, kukopanyeleza ni kukala kupanga bufumu

Kuunga loni kukona kumitusa kupeta zemubata, kono kukona fela kuba cwalo haiba munyakisisa hande buikalabelo bobuzamaelela ni kuunga loni. Kacwalo, sesinde kikuli muunge fela loni haiba hakuna mokuñwi momukona kuezeza, kukopanyeleza ni kuli luli kokuñwi kaufela konemuka fumana mali hakukonahali. Hakuba cwalo, mwa kona kuishineka buikalabelo bo bwa loni

Musika sainela kale loni, muipuze haiba luli mwaitokwa. Kana hamukoni kubuluka mali? Kukona kuba kuli mwendi hamutokwi loni sina momunahanela luli. Muunge fela loni hamuitokwa mi haiba hakuna nzila veñwi va kufumana ka vona mali.



Musike mwaanga maloni afitelela iliñwi. Maloni amañata hahulu akami ziyeza.

Kamoku konahalela kaufela, musike mwaanga maloni amañata kakuli kukana kwamibela taata kualifela kanako veswana

MUKONA KUFUMANA KAI LONI MI ILI KAMUKWA UFI?

Kunani likampani zeñata zefanga batu maloni. Zeo likopanyeleza lipanga, likopano za buyahi, likampani ze kolotisanga mali amanyinyani, likampani zefanga batu libelekiso fa sikoloti, ni cwalo-cwalo.

Likampani zeshutana linani litukiso zeshutana za maloni mi kamita ki babatabile kumitusa kufumana tukiso ye swanela zemutokwa ni momuswanela kuezeza kuli mukupe loni ni litukiso zeñwi kaufela.

Kamita ki kokunde kuba ni akaunti ni panga yemubata kukolota kuyona.

Musika ya kale kwa bakolotisi, muikolwise kuli mwaziba luli zemubatela loni, kuli mutokwa bukai, kukamiingela nako yekuma kai kuilifa ni kuli mukona kufa swalele mañi.

KULIFA LONI

Loni kaufela yeengiwa inani kulifiwa. Panga imifa loni kuzwelela mwa mali abulukisizwe kuyona ki batu babañwi. Kacwalo munani kulifa loni ilikuli kwa bañi ba mali enemufilwe ki panga, babañwi bakone kulifiwa. Hape panga iitusisa mali aswana ao kwa kufa maloni kwa makasitoma bayona. Kacwalo hamulifa loni, kihona makasitoma babañwi, kukopanyeleza ni balikani ni bahabo mina bakona kufumana maloni kwa panga

Loni kamita itahanga ni tukiso ya moiswanela kulifelwa, ye bonisa moaaluhanyelizwe mali aswanela kulifiwa ni madeti faaswanela kulifelwa. Haiba mupalelwa kulatelela tukiso ya tifo ya loni yeo, bakolotisi habana kumisepa mi mukana mwa fiwa koto ya kulifa mali amañwi. Haiba muzwelapili kupalelwa kulifanga kakuya ka tukiso, bakolotisi bakana bamiisa kwa kuta.



Haiba mulifa loni yamina ka bunako, bapanga bakona kufa babañwi hape maloni.

Muambuke kulifanga kakuliyeha ilikuli musike mwa lifiswanga milatu

MWA KUKETELA LONI YELUKILE

Mufuta wa loni yemuketa ikaitinga fa lilimo za mina za kupepwa, mulelo wa mina waza mali, butokwi bobutuna bobuli teni, ni kukona kwamina kutiva haiba kuzuha butata.

Mubuze ba panga yamina kaza mifuta ya maloni ebafanga mi mutatube kuli kiifi yemiswanela.

KIBOMAÑI BABAKONA KUUNGA LONI?

Mutu kaufela wakona kuunga loni, kono hañata maloni afiwanga kubabangiwa kuli bakona kualifa, kamutala, mutu ya beleka kapa yaeza pisinisi yangana.

Sihulu bakolotisi batalimanga fa lisupo ze 5 za sikoloti ili:

Buikoneli: Bufa mukolotisi buikolwiso bwa kuli ya kolota kunani kwakona kuzwisa mali mi wakona kulifa loni. Buikoneli bwa mukoloti bwa kuzwalisa loni yeo kibona bwaituisa kwa kukolwisa bakolotisi kuli wakona kulifa loni.

Butu: Bufa bakolotisi buikolwiso bwa kuli yakolota wasepahala mi haki yakona kubaleha haiba akena mwa butata bwa za mali

Swalele: Kuli kube ni sepo ya kuli bakoloti bakalifa maloni ebangile, bakana batokwiwa kufa nto yeñwi ya kabutu kapa ya mwa pisinisi sina swalele ya loni. Swalele yeo ikona kuitusiswa kwa kulifela loni haiba yakolotile apalelwa kulifa. Swalele ikona kuba mishini, miyaho, limota, mukoloko wa maluwo kapa lika ze mwa sintolo. Mali acwale ka ma-shares ni ma-bond ni ona akona kuamuhelwa ki bakolotisi sina swalele

Mali a kukalisisa pisinisi: Mali a abonisa maata anani ona mukoloti kuza mali. Aama maluwo abonahala, kuzwisa kwateñi liitusiso ni tatubisiso ya zeñozwi zeama mali za mukoloti.

Miinelo: Yeo iama tatubo va bakolotisi va licinceho ze mwa naha, miinelo va sifumu; kucinca-cinca kwa moazamaela mali, ni miinelo tenyene kuza mibeleko yekona kuama buikoneli bwa mukoloti bwa kulifa loni kamita.

Garanti: Fokuñwi lipanga likupanga bakoloti kubonisa batu baba bizwa "guarantors" kapa batiisezi sina silelezo yeñwi ya loni. Guarantor hañata ki mutu ya beleka. Uitumelela kulifa loni kwa panga haiba yakolotile apalelwa kulifa. Kakuba mukoloti, hamukeli kulifa mutu haiba uitumelezi kuba mutiisezi.

Munahane hande musika itusisa kale ndu kapa mali atifo ya mina ya kutuhela musebezi sina swalele. Nikamuta musike mwa itusisa sina swalele nto yekami tatafaleza bupilo haiba itondahala. Hañata, bakolotisi ba kolotisanga kakuya ka busepahali bwa mukoloti. Swalele baisebelisanga haiba hakuna mokuñwi mwa kuezeza. Kamutala, habakolotisa mali kumubeleki ya holanga mali kakweli, bakolotisi bakatokwa pampili ya litifo kapa pay slip ni liñolo lelizwa ku mubelekisi la kuli mali amina akatahanga mwa panga. Haiba ki mutu wa pisinisi, bakolotisi hañata batokwanga mapape a ñoliso ya pisinisi ni zeñozwi za akaunti ya bona ya kwa panga.

Hamukupa loni, muipeye mwa sibaka sa bemubata kukolota ku bona. Mwaziba pisinisi ya mina mi munani buikolwiso kaza zezwa mwateñi ni kuli mwa kona kulifa loni. Mutokwa kufa buikolwiso bobuswana ku

MWA KUZAMAISEZA ZA LONI YAMINA

Kazazi lutalimananga ni miinelo yemiñata yetokwa mali. Kamita lukana lwakena mwa muliko wa kuitusisa amañwi kwa mali a loni kwa lika lisili. Ka mutala, mukana mwaanga loni ya pisinisi kamulelo wa kuli mukailifa kuzwelela kwa mali emuka fumana mwa pisinisi, kono mukana mwa sebelisa loni yeo kwa sinawenga. Kueza cwalo kukana kwa mitiseza butata. Kunani lika zemukona kueza kuli muikolwise kuli loni yemuungile haimiimezwi. Zeo likopanyeleza:

- Musebelise loni kanzila ye kamikonisa kuilifa kamomu lumelelanezi ni panga (bakolotisi).
- · Mukupe tukiso ya mulifelo wokonahala mwa mali emufumana kapa atahiswa ki pisinisi ya mina. Kamutala haiba muamuhelanga mali mwa mazazi a 90. mukupe kuli mulifange kwa sikoloti ni ñambeko hamulaho wa likweli zeene
- Mulifange ka bunako! Kueza cwalo kukamibonahaza kuba babasepahala mi kukami bela bunolo kuunga maloni kwapili kakucipa
- Panga yakona kueza mafosisa, kacwalo mubulukange mapepa a litifo. Mutatubange hande litaba za akaunti

ya mina ni mañolo amañwi azwa kwa bakolotisi bamina. Kueza cwalo kukami tusa kubona mafosisa, kuungiwa kwa mali mwa akaunti komusika lumeleza, ni litaba zeñwi zemukana mwa bata kubuza kaza teñi.

KUUNGA LONI – MIHATO YAPILI

Kwatasi lubonisize mihato ya pili ya mwakuungela loni kwa panga:

- 1. Mubuze mubeleki wa panga kaza mifuta ye shutana ya maloni ebafanga.
- 2. Hasemufilwe litaba zeo ibe kakulitalusezwa kapa kuliñolelwa, mufumane nako ya kunahanisisa kaza teñi ni kubona moli swalisanela ni muinelo wa mina cwale ni zemutokwa kuza mali.
- 3. Mukete Ioni yeswanela miinelo yemuli kuyona mwa bupilo.
- 4. Muñolele panga kaza kupo yamina ya loni kuli ilumelezwe.
- 5. Mubeleki wa panga ukamifa fomu ya kutaleleza mi ukami tusa kuitaleleza

Fomu yeo hañata itokwanga litaba zelatelela:

- a. Libizo:
- b. Lizazi la kupepwa/lilimo:
- c. Musebezi wa mina:
- d. Kevala
- e. Situpa, inge cwalo NRC, pasipoti, liñolo la sipepo

Panga ikona kufumana bupaki bwa litaba zamina zaka butu ni kevala kakuitusisa yeñwi ya linzila zelatelela:

- Mapampili a litifo a cwale ka amalaiti, mezi, foni kapa litifo za mubu. Lipanga zeñwi hape likona kuamuhela mapampili acwalo nihaa ñozwi mwa libizo la muñaa sibaka fomupila:
- · Kufumana liñolo lelimi paka kucaziba yo muñwi kapa liñolo lelizwa ku mubelekisi wa mina kapa kwa sikolo;
- · Kasitoma ya zibahala wa kampani yeo; kapa
- · Mulena, mueteleli wa mwa silalanda ya mi ziba.

Hasemuezize zetokwahala kaufela, tumelelano kaza loni ikalukiswa kuli muisane ilikuli mukone kufumana loni

Musike mwa bulela buhata hamukupa loni; mubulele niti kaza libaka hamubata loni.

Kuli musike mwa ba hahulu ni butata ni kuli kumibele bunolo kufumana loni, mutokwa kubonisa bakolotisi mali emufumana kuli bamife loni kabunolo

Mutokomele litifo zesika libelelwa! Mubuze hande bakolotisi bamina kaza litifo zeama kulukiswa kwa mapepa a loni, kapa litifo zeñwi

Musika saina kale mapepa, mubuze kaza litifo za kulukisa loni zekona kulifelwa kanako iliñwi fomuungela

LITUTO KAZA MALI MWA ZAMBIA

KNOW MORE ABOUT LOANS!

Imagine desperately needing money to construct your home, pay for your child's college fees, acquire household items, finance your further studies, buy farming equipment, or a car and finding that you have nowhere to obtain it from. What you may wish to do is to take a loan. A loan is an amount of money that an individual borrows.

The most common source for borrowing money is a licensed financial institution such as a bank. Other sources include another person or a group of people

A loan can be granted to an individual, a community group, a company or an organization. A loan is usually for a specific time frame which can be a number of days, weeks, months, or years.

The person or organisation taking the loan initially receives an amount of money from the one providing the loan and agrees to pay it back, in regular installments to the one who provided the loan.

Bear in mind that the first loan is usually the hardest to get. In general, lenders prefer to lend money to borrowers who have borrowed at least once and have paid back the loan on time.

Be sure you understand what the terms of the loan are. For instance, are there circumstances under which the lender requires the entire loan to be paid off? Under what circumstances and by how much can the interest rate change?



Plan ahead! Processing of loans takes time.

BORROWER AND I ENDER

In the loan arrangement the person taking the money is the BORROWER and the one giving the money is the LENDER.

Typically, the borrower pays back a certain fixed amount per month which includes a portion of the principal (or amount borrowed) plus interest.

Ask the lender to explain any unclear terms. If you don't like a lender's attitude, go elsewhere.

INTEREST CHARGE

A loan always comes with an interest charge. Interest is an agreed amount the borrower pays in addition to payments on the borrowed sum. Interest charge generally comes in two forms:

A VARIABI E INTEREST RATE

This makes the interest payment rise or fall in line with changes in interest rates.

A FIXED INTEREST RATE

This means the interest payment stays the same throughout the term of the loan, regardless of any changes in the level of interest rates.