

Total Cost of Credit

ESTIMATED SUMMARY OF LOAN COSTS*



Total Cost of Credit refers to the total amount payable for a loan, including all bank fees and charges, and estimated third party costs such as legal fees, and valuation and stamp duty in the case of loans secured by a physical asset.

Before signing a loan agreement, a customer should request the bank to provide them with a Total Cost of Credit breakdown as well as the Loan Repayment Schedule. This will not only empower the customer to make an informed decision, but also will enable the customer to compare the fees and charges within the market.

General Information

Please fill the blank spaces below with your bank loan officer:

1. Loan Type
(E.g. Personal Loan, Mortgage, Business Loan)
2. Loan Amount
3. Type of Interest Rate
(E.g. Reducing Balance, Flat Method)
4. Interest Rate Period
(E.g. Monthly, Annual)
5. Standard Interest Rate
Note: Banks add an interest rate premium to the KBRR. This premium is based on the bank's risk margin, the bank's cost of doing business, and return on equity.
6. Fixed or Variable Interest Rate
7. Loan Period Time
(E.g. Months, Years)
8. Loan Period (Tenor)

Additional Bank Charges

1. Application & Processing Fee
2. Monthly Service Fee

Third Party Costs:

1. Brokerage Fees
2. Attorney & Notary Fees
3. Total Credit Life Insurance
4. Other Insurance Specific to Taking out Credit
5. Government Levies
6. Valuation

Other Costs:

1.
2.
3.



Note: This Total Cost of Credit* template can be used by Bank Loan Applicants. This is a sample document and is not a legally binding document. Loan costs may vary depending on the terms of the Financial Institution providing the Credit facility.

More Resources: Visit the Kenya Bankers Association web site www.kba.co.ke to download the "Total Cost of Credit" template and more consumer information, including the "Consumer Guide to Banking in Kenya"(2013 edition).



KENYA BANKERS
ASSOCIATION

One Industry. Transforming Kenya.