

**NYERI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE SCHEME
(STAFF) FUND REGULATIONS, 2026
ARRANGEMENT OF REGULATIONS**

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IN EXERCISE of the powers conferred by Section 20 of the Nyeri County Car Loan and Mortgage Scheme Fund Act, the County Executive Committee Member for Finance and Economic Planning makes the following Regulations—

**NYERI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE SCHEME FUND
REGULATIONS, 2026**

PART 1- PRELIMINARY

Short title **1. Short Title and Commencement**

These Regulations may be cited as the Nyeri County Executive Car Loan and Mortgage Scheme Fund Regulations, 2026 and shall commence upon publication in the Gazette.

Interpretation **2. Interpretation**

In these Regulations, unless otherwise requires –

“**borrower**” means a person in receipt of a car loan or a mortgage out of the Fund;

“**County Executive**” means the County Executive Committee of the County Government of Nyeri;

“**County Government**” means the County Government of Nyeri;

“**County Executive Committee Member**” means the County Executive Committee Member for Finance and Economic Planning;

“**Committee**” means the Nyeri County Executive Car and Mortgage Loans Management Committee of the Fund;

“**financial year**” means the period of twelve months ending on the 30th June of each year;

“**Fund**” has the meaning assigned to it under Section 2 of the Nyeri County Car Loan and Mortgage Scheme Fund Act;

“**Fund Administrator**” means the person designated in accordance with section 116(2) of the Public Finance Management Act 2012;

“**loan agreement**” means an agreement between the Fund and members of Staff;

“**member of the Scheme**” means a Member of County staff;

“**property**” means a residential house purchased through a loan from the Fund and includes the land purchased under loan from the Fund on which such house is to be developed; and

“**valuer**” means a person registered as a valuer under the Valuers Act (Cap. 532).

PART II - ADMINISTRATIVE PROVISIONS

3. (1) The Loans Management Committee shall consist of__

**Membership
of the loans
management
Committee**

- a) the County Executive Committee Member responsible for Finance or his/her designate who shall be the chairperson;
- b) one member of the County Executive Committee elected by members of the County Executive Committee;
- c) the Chief -Officer -in charge of Land and planning or their designate;
- d) the Chief Officer responsible for finance who shall be the Fund Administrator;
- e) the officer in charge of human resource services in the County Public Service or their designate;
- f) the Chief officer responsible for Public Works or their designate;
- g) the Secretary County Public Service Board or his/her designate;
- h) the County Attorney.

(2) The officer administering the Fund shall be an exofficio member of the Committee and the secretary to the Committee.

(3) The Committee shall administer the Fund and shall review applications for loans in accordance with the existing terms and conditions of borrowing.

(4) Notwithstanding sub section (3) above, the County Executive Committee Member may, if he/she considers it appropriate to do so, appoint a mortgage institution to administer the Fund.

(5) The Committee may appoint a secretariat from among the staff members to attend its meetings and assist it with its operations.

(6) The Committee shall consider and may approve loan applications presented by the officer administering the Fund.

**Meetings of the
Committee**

(1) The meetings of the Committee shall be convened by the Chairperson or in the absence of the Chairperson, by a member designated by the Chairperson and shall be convened at such times as may be necessary for the discharge of its functions.

(2) Quorum for a meeting of the Committee shall be the Chairperson and any four members.

**Application for
loan**

5. (1) An application for a loan under these Regulations shall be forwarded to the Fund Administrator.

(2) The Fund administrator shall satisfy themselves of the applicant's financial status and capacity to repay the loan applied for in accordance with the laid down requirements and where so satisfied shall forward the application to the Committee for consideration.

Requirements for Application 6. (1) An application for a staff mortgage loan under these Regulations shall be accompanied by the following documents where appropriate—

(a) In the case of a mortgage –

- i. certified copies of the certificate of title;
- ii. an official search of the title of the property to be used to secure the loan;
- iii. A valuation report from a registered and prequalified valuer in accordance with the Public Procurement and Disposal Act;
- iv. a certified copy of the sale agreement relating to the property where the borrower is purchasing property; and or
- v. any other document that the Committee may require for the purpose of granting the loan.

(b) In the case of a car loan –

- i. a recent official search;
- ii. a certified copy of the pro forma invoice relating to the motor vehicle; and / or
- iii. a copy of a sale agreement and valuation report where the motor vehicle being purchased is second hand.

(2) The applicant shall bear the cost of stamp duty, legal fees, transfer fees and any other related costs.

(3) If a borrower fails to comply with the requirements of sub-regulation (2) above within the stipulated time, the officer administering the Fund shall, upon giving the borrower fourteen days' notice, deduct the amount due from the salary of that borrower in such instalments as may be appropriate and remit such deductions to meet such costs as may be due.

(4) The Committee may, where it deems appropriate, recommend the appointment of an advocate to act on its behalf in respect of transactions relating to the property under these Regulations.

Conditions for7. disbursement of car loan and mortgage funds (1) A loan approved under Regulation 6 shall be released from the Fund in such a manner, taking into account the security of the funds, as may be prescribed by the Committee.

(2) For the purpose of these Regulations—

(a) a loan shall not be given to a member of the Scheme to purchase a used vehicle that is more than eight years old from the date of manufacture or as may be determined from time to time; and

(b) similarly, where the property intended to be purchased through a loan from the Fund is leasehold property, such loan shall be granted where the expiry date of the lease is at least ten years beyond the final loan repayment date.

(3) The County Government shall have a charge registered on the property financed through a loan granted under these Regulations and shall be entitled to have its name entered in all documents of title for such property.

(4) The log-book of a vehicle subject to a loan from the Fund shall be issued jointly between the County Government and the member of the Scheme and shall be kept in the custody of the Fund Administrator until the loan is repaid in full by the member of the Scheme.

Sharing of8. interest (1) The net interest accrued from the Fund shall be distributed between the financial institution and the Fund with not more than 1% going to the financial institution.

(2) The balance of the interest shall be used to defray expenses of the Fund as well as meeting the operational costs of the Fund.

Loan buy off 9. (1) A borrower, who, prior to the commencement of these Regulations had purchased, developed, renovated or repaired property on loan from a financial institution, may apply for loan under these Regulations to offset any remaining balance or to have the loan transferred from the financial institution to the loan scheme under these Regulations.

(2) A loan granted under these regulations shall be based on the borrower's ability to pay and shall not exceed the maximum loan threshold set out in the Schedule.

(3) The borrower may repay the loan from their other sources of income.

- Insurance** **10.** (1) A borrower shall take out and maintain a mortgage protection policy and a fire policy with an insurance firm, the cost of which shall be borne by the borrower.
- (2) A member of the Scheme shall comprehensively insure any vehicle purchased through the Scheme and shall submit a copy of the insurance with the Fund administrator as proof.
- Lien** **11.** (1) The Fund shall register a charge on any property financed through a loan granted under these Regulations and such charge shall impose an obligation on the borrower—
- a) not to mortgage, charge, surrender the lease, or sell or agree to sell or part with possession of the charged property or part thereof without the prior written consent of the Administrator of the Fund;
 - b) to meet and pay all rates, rents, insurances and any other outgoings in respect of the property and send the proof of such payments to the Administrator of the Fund; and
 - c) to provide a transfer deed duly signed by the borrower and a letter authorizing the Administrator of the Fund to sell the property in case of default in payment.
- (2) During the loan repayment period, every borrower shall—
- a) ensure that the property is used for the intended purposes only;
 - b) maintain the property in a satisfactory state of repair; and
 - c) make no extension or any structural alteration to the property, or title thereto without the prior approval of the Administrator of the Fund.
- (3) The Committee may grant another car loan or a house loan to a county officer in event of change of status or maximum threshold.
- (5) Where the spouse of a member of the scheme is also a county officer, the granting of a loan or house to one spouse shall not bar the other spouse from benefiting from the Fund.
- Safe custody of documents** **12.** (1) The originals of all documents relating to property financed by a loan from the Fund shall be kept in safe custody by a financial institution approved by the committee.
- (2) The Fund Administrator shall keep a register for all the securities.

Financing or development partnership 13. The Fund may enter into a viable financing or development partnership with a legal entity for the purposes of achieving objectives of the Fund.

Extension of loan repayment period 14. (1) A borrower may request the Loans management Committee for extension of the loan repayment period for a mortgage in writing.
(2) The loans management committee shall where it deems necessary extend the loan repayment period.
(3) Where a loan repayment period is extended, a borrower may apply to the Loans Management Committee for refinancing using the same mortgageable security based on the current valuation of the security provided that three years have not lapsed since the last valuation.
(4) Where three years have lapsed since the last valuation, the borrower shall be required to undertake another valuation in the case of a mortgage.
(5) In the case of a motor vehicle, the validity of the valuation report shall be one year since the date of the last valuation.

PART III- MISCELLANEOUS

Miscellaneous 15. (1) These Regulations shall be supplemented by such requirements as may be detailed in the loan application form prescribed by the Fund and in the contract between the Fund or financial institution and the borrower.
(2) Subject to these Regulations, the Loans Committee may issue guidelines on—
a) the purchase and development of land and properties under these Regulations;
b) the utilization of surplus funds for the purchase and development of land and property under these Regulations; and
c) such other matters as may be necessary for the proper management and administration of the Fund.

Repeal 16. The Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017 are hereby repealed.

SCHEDULE I: LOAN APPLICATION FORM



**COUNTY GOVERNMENT OF NYERI
CAR LOAN AND MORTGAGE SCHEME FUND
APPLICATION FORM**

SERIAL NO.CGN/CL&MF/.....

Day

Month

Year

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- I. To be completed by the applicant after carefully reading and understanding the specific and general conditions contained herein section 5 and 6.
- II. Complete your details in legible hand writing
- III. Duly filled application forms and necessary attachments should be delivered to the Secretary of the Loans Management Committee

1. Particulars of Applicant

- a) Surname..... Other names.....
 - b) P/ No..... Designation.
 - c) Job Group..... Date of Appointment.....
 - d) Duration of term..... Date of Birth.....
 - e) ID No..... PIN No.....
(Attach copies of National ID, KRA PIN and three latest pay slips)
 - e) Gender..... Marital Status.....
 - f) Age.....
 - g) Residential Address: Town..... Location.....
Sub Location..... Village.....
 - h) Alternative residence: Town..... Location.....
Sub Location..... Village
- (Attach a sketched road map from the nearest land mark)
- h) Mobile Phone No.Alternative No.

- i) P.O.Box.....Code.....Town.....Email.....
- j) Next of Kin..... Relationship.....
- k) Next of Kin Contact: Mobile Phone No.....

2. Bank Account Details (for the purpose of loan disbursement)

- a) Account Name.....
- b) Bank Account Number.....
- c) Bank Name.....
- d) Branch.....Code.....

3. Loan Details

- a) Loan amount applied for is Kshs..... (Amount in words).....

- b) Repayment Period(months)..... Monthly Instalments Kshs.....
(Consult the Head of Human Resource Department or the Secretary, Loans Management Committee)

- c) Purpose of the loan (tick where appropriate. **NB** Applicants' attention is drawn to clause 6.1 under 'specific conditions')
- i. Purchase of land Ksh.....
- ii. Construction of a house Ksh.....
- iii. Completion of construction of a house Ksh.....
- iv. Purchase of a complete house Ksh.....
- v. Purchase of a car Ksh.....
- vi. Buy off Ksh.....

4. Authority to Recover Loan

I.....whose particulars are as indicated above, hereby give my employer County **Government of Nyeri** irrevocable authority to recover from my salary and allowances monthly loan repayments of Kenya Shillings.....
.....
..... (Kshs.) per month over a period of..... months and remit the same to the Nyeri County Executive Car Loans and Mortgages Fund Account.

Signed.....on this.....day of.....20.....

5. Specific Conditions

6.1 Conditions

(a) To purchase a complete house, the applicant should have:-

- i. A valid title deed and current official search (not order than 3 months)
- ii. A certified copy of the sale agreement;
- iii. Valuation report of the property conducted by a valuer appointed by the Loan Management Committee

(b) To purchase land, the applicant should have:-

- i. A valid title deed and current official search(not order than 3 months)
- ii. A certified copy of the sale agreement;
- iii. Valuation report of the property conducted by a pre-qualified valuer appointed by the Loan Management Committee.

(c) **To construct a house,**

The applicant should have;-

- i. A valid title deed;
- ii. Certified copies of the designs of the proposed residential property duly approved by the County Government within whose area it is to be situated;
- iii. Certified copies of priced Bill of quantities in respect to the proposed development, renovation or repair;
- iv. Search and Valuation report of the property conducted by a pre-qualified valuer appointed by the Loan Management Committee

(d) **To purchase a car,**

The car should meet the following conditions:-

- i. Must have a valid log book;
- ii. Must be registered jointly with the Mortgage institution;
- iii. Have a comprehensive insurance cover from a reputable insurance company;
- iv. Must not be more than **eight years old** from the date of manufacture;
- v. Must have a valuation report from a registered valuer in the case of a used car and if the car is new, the value must be quoted on the Supplier's invoice.

6.2 The property purchased or developed shall be charged in favour of the the Mortgage Institution until the mortgage is paid in full.

6.3 For purchase of land and a house, the applicant shall:-

- i. Pay premium for Mortgage protection and fire policy insurance in respect to the loan advanced;
- ii. Bear the cost of stamp duty, transfer fee, legal fee and other related charges.

6. General Conditions

a) The Nyeri County Government Loan Management Committee.

- i. Reserves the right to terminate this facility if the borrower leaves employment on disciplinary grounds. All amounts outstanding at the date of such termination, together with interest accrued shall be immediately due and payable in accordance with the prevailing rules and regulations.
- ii. Reserves the right to change the terms of the interests rate from 3% to the prevailing currentcommercial rates where a borrower defaults in the repayment of the loan for a period of six consecutive months, and the Board shall reposses and sell the property to repay the loan;

- iii. May provide the loan account information on application and on demand by the loanee or his/her attorney; and
 - iv. May disclose information about the borrower to Credit Reference Bureau and / or other agencies on operationalization of the law.
- b) In the event of termination of employment or where a borrower ceases to be a state officer before full loan repayment, the Loans Management Committee may in its discretion, allow the borrower to continue to repay the loan on the same terms as set out in this Regulation.
 - c) Approval of this application is subject to a one-third rule as provided for in the Employment Act;
 - d) The Loanee shall advise Loan Management Committee in case of change of the postal address to enable the Office update the records;
 - e) All legal transactions in respect to the property shall be conducted by an advocate appointed by the Loan Management Committee.
 - f) All the original documents relating to property financed by a loan from the Fund shall be under the custody of the Secretary, Loan Management Committee or the Mortgage Institution appointed by the Board until the loan is repaid in full.
 - g) No person shall sell or in any way transfer any property funded by the fund until the final repayment is made;
 - h) Disbursement of all the approved application will be subject to availability of funds.
 - i) Evidence of debt –The Loan Management Committee statements and records will constitute conclusive evidence of indebtedness in any legal proceeding;
 - j) The Salaries and Remuneration Commission Circulars and regulations as well as the Nyeri County Executive Car and Mortgage Scheme Fund Regulations (2017) shall apply.

NB: Note that the loan application form is free of charge.

7. Declaration and Disclosure

- a) I Certify that the information contained in this application is true and correct to the best of my knowledge and belief;
- b) I declare that I have not been adjudged bankrupt; and,
- c) I understand that Management Committee may in its sole discretion reject this application if in its own opinion there are reasonable grounds to do so.
- d) I have read and understood the guidelines herein attached and accept the terms set out therein.

Name of the borrower.....

Signed.....on this..... day of.....20.....

8. For Official use only

Human Resource Department

Applicant Gross Salary (excluding overtime and special allowances)

Statutory deductions

Other Deductions

Applicant Net Salary

Disposable income

Checked by: Name..... Designation.....

Signature Date.....

Confirmed by:

Head of Human Resource Department:

Name.....

Signature.....

Date.....

9. LOANS MANAGEMENT COMMITTEE

Approved/Rejected on the.....day of 20.....

MIN REF.....

Chairperson: Name.....Sign..... Date.....

Legal Officer: Name.....Sign..... Date.....

Fund Administrator: Name.....Sign..... Date.....

SCHEDULE II: SCHEDULE OF CAR LOAN AND MORTGAGE THRESHOLD

CAR LOAN THRESHOLD

Beneficiaries	Maximum Loan amount
Civil Service Grades S, T, U and equivalent grades in public service	Up to Kshs 4 million
Civil Service Grades P, Q, R and equivalent grades in public service	Up to Kshs. 3 million
Civil Service Grades K, L, M, N and equivalent grades in public service	Up to Kshs 1.5 million
Civil Service Grades G, H, J and equivalent grades in public service	Up to Kshs. 800,000
Civil Service Grades A, B,C, D, E, F and equivalent grades in public service	Up to Kshs. 600,000

MORTGAGE THRESHOLD

Beneficiaries	Maximum Loan amount
Civil Service Grades S, T, U and equivalent grades in public service	Up to Kshs. 20 million
Civil Service Grades P, Q, R, and equivalent grades in public service	Up to Kshs 15 million
Civil Service Grades K, L, M, N and equivalent grades in public service	Up to Kshs.10 Million
Civil Service Grades G, H, J and equivalent grades in public service	Up to Kshs. 6 Million
Civil Service Grades A, B, C, D, E, F and equivalent grades in public service	Up to Kshs. 4 Million

SCHEDULE III: LOAN DISCHARGE CERTIFICATE



**NYERI COUNTY CAR LOAN & MORTGAGE SCHEME FUND
CAR LOAN & MORTGAGE SCHEME FUND LOAN DISCHARGE
CERTIFICATE.**

Ref. No..... Date:.....

1. Name of the loanee
2. ID
3. PF No.....
4. Loan reference No.....
5. Type of loan.....
6. Amount (Kshs.)
7. Date of disbursement.....
8. Date of clearance.....
9. Date of discharge.....

I/WE hereby confirm that the above named loanee has completed repaying their loan. This certificate is issued in accordance with Section 15 of the Nyeri County Car Loan and Mortgages Scheme Fund Act.

Issued on this.....day of20.....

Fund administrator

Legal officer

Signature

Signature

Dated the.....Day of....., **2026.**

Robert Thuo Mwangi Gathure

County Executive Committee Member, Finance, Economic Planning & ICT

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