VISION FINANCE GROUP

Member Loan Policy

Current lending terms and administration rules

Reference framework • September 2026 • Read with the Constitution and recorded approvals

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1. Purpose

This policy provides a consistent framework for member borrowing while protecting member savings, repayment discipline and the growth of Vision Finance institutional capital.

2. Current loan terms

TERM	CURRENT RULE
Maximum member loan	Total outstanding principal, including the proposed loan, must not exceed 2× verified member savings; approval may be lower.
Interest	15%. The applicable rate period and calculation method must be stated in the Lending Policy and each written loan agreement; 15% is not, by itself, defined as monthly, annual or whole-term interest.
Processing fee	MWK 20,000 per processed loan, credited to the VFG Group-owned fund through the official Group bank account.
Borrower interest benefit	30% of interest actually received; recorded as the borrower's loan-interest benefit and payable/creditable after full settlement unless validly agreed otherwise.
Vision Finance interest share	20% of interest actually received, credited to the VFG Group-owned fund.
Other-member benefit	50% of interest actually received, shared equally among all other eligible individual members, excluding the borrower.
Repayment period	Two calendar months' grace from actual receipt, followed by 6 months for principal up to MWK 500,000; 8 months above MWK 500,000 to MWK 1,000,000; add 2 months for each further MWK 500,000 band or part (Constitution 8.6). Monthly savings remain due.

3. Eligibility and maximum amount

- An applicant must have completed three full months of membership and satisfy contribution, absence-fee and repayment-assessment requirements. Advance savings do not shorten the waiting period.
- Verify deposited savings before applying the ceiling. Total outstanding loan principal, including the proposed loan, must not exceed 2× verified savings. Unpaid or projected savings and uncredited interest allocations do not count.
- Existing obligations, affordability and available lendable funds may justify approval of a lower amount.
- The requested purpose and repayment source must be clear and credible.

4. Application and approval

1. The member contacts the Secretary and completes and signs the Loan Application Form before approval. An unconflicted officer handles a request where the Secretary is the borrower or is otherwise conflicted.
2. Treasury verifies savings, outstanding obligations and the 2× ceiling.
3. Repayment source and affordability are reviewed.
4. Unconflicted authorised decision-makers record approval within their constitutional delegation. The borrower may not approve or authorise their own loan or disbursement.

5. The borrower confirms the approved 15% interest rate, the calculation period and method stated in the written loan agreement, the MWK 20,000 processing fee, two-month grace period, applicable repayment band, total repayment obligation and the 30% / 20% / 50% interest-sharing structure before disbursement.

5. Interest and fee calculation

Calculation method
Use the member-approved 15% rate period and method, including grace-period treatment, recorded in the policy approval and agreement. This framework does not approve a rate basis. No new loan may be disbursed until that basis is documented. The MWK 20,000 processing fee is separate from the interest pool.

TERM	CURRENT RULE
Example basis	Interest actually received; this example does not calculate loan interest.
Interest received (example)	MWK 30,000, solely to demonstrate allocation.
Borrower – 30% of interest	MWK 9,000
Vision Finance – 20% of interest	MWK 6,000
Other members – 50% of interest	MWK 15,000 shared equally among the other members
Separate processing fee	MWK 20,000 to the VFG Group-owned fund

6. Disbursement, repayment and recording

- Disbursement requires the approved application, signed written agreement, verified receiving-account details, processing-fee confirmation and at least two independent payment authorisations under the bank mandate. Confirm actual receipt and preserve the bank reference.
- Each repayment must be supported by transaction evidence and posted to the loan ledger promptly.
- Interest allocations are posted only from interest actually received. The borrower's 30% benefit is recorded separately; the 20% VFG share is credited to the Group-owned fund; and the remaining 50% is divided equally among all other eligible individual members. The MWK 20,000 processing fee is separate Group-owned income.
- Early or partial repayments must still be recorded clearly against principal, interest and any outstanding obligation.

7. Arrears and default

Review loans monthly, including during grace, without treating a not-yet-due instalment as overdue. Record missed due instalments and contact the borrower promptly. New lending to an overdue borrower is suspended unless an authorised restructuring permits it within the ceiling. Review does not create a fresh fee or grace period.

8. Vision Finance as borrower

The VFG Group-owned fund may obtain approved internal financing at the same approved ordinary rate under a written mandate. It is not an additional voting member. A venture requires prior member approval, a repayment source, an accountable manager, independent review and distinct records (Constitution Article 10).

9. Records and review

- Maintain the application, approval, disbursement evidence, repayment schedule, transaction references and closing balance for every loan.
- Reconcile loan records with the FDH account and internal member/Vision Finance ledgers.
- Review the policy whenever members approve new terms or operating arrangements.