

DEVICE LOAN - DIGITAL



DD/MM/YYYY

Mr./Mrs./Chief.....

..... (insert address)

.....

Dear Sir/Ma,

OFFER FOR **NX,XXX,XXX.XX (Amount in words) DEVICE LOAN.**

Further to your request for a **NX,XXX,XXX.XX** Device Loan, we are pleased to offer the above facility to you under the following terms and conditions:

- Lender/Lessor:** Wema Bank Plc.("Wema")
- Borrower/Lessee:** **NAME OF CUSTOMER** ("Borrower")
- Facility Type:** Device Loan ("The Facility")
- Facility Amount:** **NX,XXX,XXX.XX (Amount in words)**
- Cost of Asset:** **NX,XXX,XXX.XX**
- Advance Rental:** **NX,XXX,XXX.XX**
- Tenor:** **XX months**
- Purpose:** To finance the acquisition of **XXXXXXXXXXXX**
- Utilization:** The facility is to be utilized for the above stated purpose. The Bank has a right to monitor utilization of the facility and may discontinue further drawdown of the funds if it considers that the facility is not being properly utilized.
- Disbursement:** Disbursement will be made against certified invoice(s). Wema Bank shall release funds directly to the supplier/vendor of the asset to be leased.
- Repayment Source:** Salary and any other source acceptable to Wema Bank.

- Disbursement:** Upon fulfilment of all conditions precedent to drawdown.
- Interest Rate:** ~~XX%xx~~ (Wema's interest rate shall be subject to review from time to time. Wema's Prime Lending Rate is determined in accordance with prevailing money market forces and thereby subject to fluctuation. *Wema reserves the rights to unilaterally alter its pricing. Any change in pricing of the facility notified to the Borrower shall be binding on the Borrower after 10 business days. The Borrower reserves the right to pay down on the facility balance to avoid the increment. Notification of increment shall be by letter and/or email).*
- Management Fee:** 1.00% payable upfront
- Insurance Charge:** 0.75% payable upfront
- Repayment Mode:** Monthly repayment of principal and Interest
- Cooling Off Period:** You can cancel this loan transaction within 3 days from the date of signing this offer letter if you change your mind. If you wish to draw on the facility within 3 days from the date of accepting this offer, please write to us to request an earlier disbursement. After disbursement, you can only cancel the loan upon repayment of the facility, plus accrued interest and charges.
- Security/Collateral:**
1. Unconditional and irrevocable domiciliation of salary
 2. Credit life insurance
 3. Authorization to sweep any related internal/or external BVN related account(s) for repayment

CONDITIONS PRECEDENT

1. Evidence of monthly salary payment
2. Customer application through digital channel
3. Acceptance of offer, Terms and Condition via the digital lending platform to be ascertained by inputting correct platform password or PIN.
4. Acceptance to meet periodic loan repayment by inputting correct platform password or PIN
5. Confirmed pro-forma invoice
6. Payment of all upfront fees.
7. Receipt of favorable credit report
8. Application/Applicant must meet the bank's internal credit rating

OTHER CONDITIONS

1. All Central Bank of Nigeria (CBN) and Federal Government of Nigeria (FGN) regulations are to be complied with and adhered to.

2. The borrower will pay all stamp and other duties, if any, to which this facility may be subject or give rise and shall indemnify Wema Bank plc against all liabilities with respect to or resulting from any omission on the part of the company to pay such duties.
3. The borrower will reimburse Wema Bank plc on demand all expenses (including but not limited to legal and insurance expenses) and all taxes thereon, in processing the facility and in suing for or recovering any sum due hereunder or otherwise in enforcing or protecting its' rights and interests hereunder.
4. All proceeds relevant to the facility shall flow through Wema Bank plc in addition to other cash flows generated from the borrower business activities.
5. No failure or delay by Wema Bank plc in exercising any remedy, power, or right hereunder shall operate as a waiver or impairment thereof.
6. Wema Bank plc retains the right to cancel the facility in the occurrence of a situation, which, in the opinion of Wema Bank plc, would adversely impact the ability of the borrower to conform to or meet his/her obligations thereof.
7. The borrower undertakes/agrees to repay the facility on or before maturity, failing which any outstanding balance shall, in addition to the interest rate hereinbefore stated, (or the prevailing interest rate on the facility as may be revised from time to time) attract a default charge of 1% per month (equivalent of 12% per annum).
8. Notwithstanding the above terms and conditions, the facility herein under normal banking practices is repayable on demand.
9. The Borrower hereby covenants that it shall not without the prior written consent of the Bank, create or permit to be created, any new charge or security in favour of any third party which shall be superior to the charge or security herein created.
10. Upon drawdown of this loan, the Borrower covenants that he/she shall not undertake any further borrowing from other sources (e.g. loans from a co-operative society) without the prior written approval of The Bank.
11. Monthly lease rentals shall be debited to the obligor's account with the bank.
12. Notwithstanding the terms and conditions stated above, this facility shall be repayable on demand. The lessee/customer undertakes to meet any other conditions that may arise during legal documentation.
13. The lessee/customer undertakes to return the asset to the Bank upon exit from the bank/default or repay the loan in full.

END OF TERM OPTIONS

- i) Return the asset to the Lessor/Bank within 5 working days after the termination or cancellation of the Lease Agreement.

COOLING OFF PERIOD WAIVER

The borrower agrees to waive 3-days cooling off period to enable disbursement.

PAYMENT OF TAXES, FEES, BILLS ETC

Notwithstanding anything contained in this offer letter, all taxes, utilities, bills, duties, statutory payments, fees, etc. whether or not connected to this offer, and of which Wema Bank plc is a collecting agent, shall be paid through Wema.

REPRESENTATIONS AND WARRANTIES

The borrower represents and warrants that:

1. The borrower has the right to accept this Device Loan Facility and has taken all necessary actions to authorize the same upon the terms and conditions herein.
2. The borrower is not in default under any obligation in respect of any other facility where-so-ever.
3. That the acceptance of this facility will not be or result in a breach of or a default under any provision of any other agreement to which the Borrower is a party.
4. All consents, licenses, approvals and authorization of any government authority, bureau, or agency required in connection with the execution, delivery, performance, validity or enforceability of this facility has been or shall be obtained by the Borrower and that the conditions contained therein or otherwise applicable thereto shall at the appropriate time be complied with or fulfilled. The cost of obtaining such consents, approvals or licenses shall be borne by the Borrower.

DEFAULT CLAUSE

- Default on the facility would have occurred if any lease rental is due but remains unpaid or if the premium due on insurance cover arranged on the asset remains unpaid either at the inception of the lease or throughout the lease period. The bank in that circumstance shall exercise its right to call-in the facility and re-possess the asset financed without any recourse to the lessee/customer. The outstanding amount shall run at the Bank's default rate currently at 12% per annum.
- Monthly repayment on this facility must be paid as and when due regardless of non-beneficial use of any asset under this scheme by the lessor/beneficiary.

CROSS DEFAULT CLAUSE

This facility shall operate under a cross default clause. Default on any one of the facilities granted to the lessee/customer by the bank shall constitute default on all the facilities and the bank has the right to call in all the facilities

CHANGE IN CIRCUMSTANCE

If Wema Bank Plc shall have determined that the introduction of or change in any applicable law or government or other regulatory authority charged with the administration thereof or court of competent jurisdiction makes it apparent that it is unlawful or illegal for the borrower or Wema Bank plc to fund or maintain or perform their obligation as contemplated by the terms of this facility offer letter. Wema Bank Plc

shall forthwith give notice of such occurrence to the borrower and the commitment hereunder shall forthwith be cancelled or discharged and the borrower shall on the date as may be required repay to Wema Bank Plc the full amount so disbursed together with accrued interest and fees if any and any other amount due to Wema Bank Plc hereunder.

GLOBAL STANDING ORDER INSTRUCTION

- By signing this offer letter and by drawing on the loan, the Borrower hereby irrevocably and unconditionally covenants to repay the loan as and when due. In the event that the Borrower fails to repay the loan as agreed, and the loan becomes delinquent, the Lender shall have the right to report the delinquent loan to the Central Bank of Nigeria (CBN) through the Credit Risk Management System (CRMS) or by any means, and request the CBN to exercise its regulatory power to direct all banks and other financial institutions under its regulatory purview to set-off the Borrower's indebtedness from any money standing to the Borrower's credit in any bank account and from any other financial assets such banks and other financial institutions may be holding for the Borrower's benefit.
- The Borrower covenants and warrants that the CBN shall have power to set-off the Borrower's indebtedness under this offer letter from all such monies and funds standing to the Borrower's credit/benefit in any and all such accounts or from any other financial assets belonging to the Borrower and in custody of any such bank.
- The Borrower covenants that the Lender shall have the right to use the Borrower's Bank Verification Number (BVN) and without recourse to the Borrower, to recover the delinquent amount from all accounts linked to the Borrower's BVN in all banks and other financial institutions using third-party solutions.

SET-OFF AND CONSOLIDATED RIGHTS

The Bank may at any time and without notice combine all or any of the Applicant's accounts and liabilities with the Bank whether singly or jointly with any person or set-off all or any monies standing to the credit of such account(s) including the Applicant's deposits with the Bank (whether matured or not) towards settling any of the Applicant's liabilities to the Bank whether as principal or surety, actual or contingent, primary or collateral, singly or jointly with any other person, and the bank may effect any necessary currency conversion at the prevailing exchange rate. Exchange risks associated with any collateral, cash or otherwise in settling any outstanding debt shall be borne by the borrower.

ANNUAL PERCENTAGE RATE (APR)

XX% per annum (this is the total cost of the loan to the obligor made up of total interest and all other fees charged (including third parties' charges such as insurance, security perfection, etc) and different from the actual interest rate on the facility.

COMMUNICATION WITH THE OBLIGOR

1. All communications with the obligor including changes to terms and conditions of this offer, foreclosure notice, notice of breach, demand notice, etc., by the bank shall be by e-mails sent to the obligor via e-mail address provided by the obligor or through a written letter and served on the obligor at the address registered with the bank or provided during loan application.
2. The obligor may file any complaints with the bank through the Relationship Management Officer managing their account or the Business Development Manager of the branch where their account is domiciled.
3. The obligor may contact the bank and file complaints through the bank's Contact centre called Purple Connect on 08039003700, 07051112111 and 012777700 and via email addressed to purpleconnect@wemabank.com
4. The obligor may also send a written complaint to the bank through the Managing Director of Wema Bank at Wema Tower, No 54, Marina Street, Lagos.
5. If obligor's complaints are not addressed or not addressed to their satisfaction, the complaint may be escalated to the Director of Consumer Protection Department of Central Bank of Nigeria or via email sent to cpd@cbn.gov.ng with a copy of the original complaint attached.

WAIVER

- The Borrower hereby waives any right of confidentiality whether arising under common law or statute or in any other manner whatsoever and irrevocably agrees that it shall not argue to the contrary before any court of law, tribunal, administrative authority or any other body acting in any judicial or quasi-judicial capacity.
- No failure or delay by WEMA BANK PLC in exercising any remedy, power or right above shall operate as a waiver or impairment thereof nor shall it affect or impair any such remedies, power or rights in respect of any other subsequent default

FINANCIAL CONDITIONS

Availability and usage of this facility will be at the discretion of Wema Bank Plc and is subject to the borrower maintaining a satisfactory relationship with Wema and an acceptable financial condition.

GOVERNING LAWS AND JURISDICTION

This offer letter agreement and related documents will be governed by Laws of the Federal Republic of Nigeria.

REPAYMENT SCHEDULE

The Repayment Schedule shall be advised by the Lender after availment of the facility and same shall form part of this offer letter and all information contained therein are hereby incorporated into this offer letter.

VARIATIONS

The interest rate, and fees and charges, disclosed herein may change after the availment of the facility. You would receive notice of any change in the terms of the contract.

Please indicate your acceptance of the terms of this offer by signing and affixing your company seal/stamp on the attached copies of this letter. The copies should please be returned to Wema Bank plc together with your acceptance letter.

VALIDITY CLAUSE

This offer will lapse if not accepted within 14 days from the date of this offer. Please indicate your acceptance of this offer by signing on the space provided in the copy of this letter

Yours Faithfully

For: Wema Bank Plc

HEAD, PERSONAL BANKING

DIVISIONAL HEAD, RETAIL BANKING

MEMORANDUM OF ACCEPTANCE

The borrower hereby accept this credit facility under the terms and conditions herein stated on this day of.....20XX....

.....
OBLIGOR'S SIGNATURE

.....
DATE