



Loan Contract

FL: Student loan for Foreign HLIs

**Form:
FL-6**

Instructions

You are required to read carefully and fully understand and agree with all parts of this contract before signing it.

Contract number: [...../.....] **Signed on:**...../...../..... [DD/MM/YYYY]
[SFAR-ID No. / application No.]

Initial amount of loan allocated¹: **Frw/month**

BETWEEN

The Government of Rwanda represented by the **Student Financing Agency for Rwanda [SFAR]**, the Agency mandated by the Government of Rwanda to disburse and recover student loans in Higher education in Rwanda and abroad as provided by the law establishing SFAR, (*referred to herein as the **loaner***).

AND

Mr./Mrs./Miss. First name:..... Middle name [if any]:
[Current] Family name:.....
[Previous] Family name or maiden name if different:.....
Date of birth(DD/MM/YYYY).....
Father's first name.....Father's family name.....
Mother's first name.....Mother's family name.....
National ID number: , Issued at [district] :
Contact address: BP:.....Contact Tel:E-mail:
*[referred to herein as the **Loanee**].*

*[Please strike through what is **NOT** relevant]*

Whereas the loanee has been selected by the GoR² to benefit from a **repayable loan**.

Whereas the loanee has been selected by the GoR to benefit from a **non-repayable bursary**.

The Loanee has entered into this agreement with the loaner on the terms and conditions below:

Article 1: Type of the student loan

The Government of the Republic of Rwanda will provide to the Loanee a "Student Loan for students enrolled in Foreign HLIs" (known as FL).

Article 2: Type and duration of studies

This loan contract is valid only for the particular studies and the level³ and duration of studies specified in annex 1 of this contract and the extensions authorised in article 6 of the contract. For additional level (s) of study, a new loan application is necessary.

¹ See annex 2

² Government of the Republic of Rwanda

³ The level of studies for which SFAR will provide a loan include all levels above secondary school.

Article 3: Initial and real amount of the loan

1. The initial amount of the loan for each item and the number of instalments are specified in annex 2. This initial amount is based on the unit costs estimated at the base year when the contract is signed.
2. A student, who has received a loan from SFAR to pay for his/her higher education, has to pay the amount with 5% annual interest as provided in SFAR legal instruments.

Article 4: Disbursement of the loan by SFAR⁴

1. To receive the SFAR payments, the Loanee shall open a bank account in the host country. No cash payment will be authorised. The loanee shall immediately inform the Rwandan Embassy to which he/she depends or SFAR of his bank account details.
2. SFAR will pay the students through the Rwandan Embassies in foreign countries. The Embassies thereafter transfer the funds received for each student to the student's individual account. If there is no embassy, SFAR may channel the funds either through a recognized Rwandan organization or directly to the Loanee's account opened in the host country.
3. The Loanees' account to which any sums of money will be credited is:
Bank account number: opened in..... [Bank]
4. Tuition fees will be paid by SFAR through the intermediary, directly to the host HLI, or to the Loanees' account once every academic year.
5. Subsistence funds will be transferred quarterly through the intermediary, or to the Loanees' account.
6. Research funds will be paid as specified in annex 2.
7. Air tickets: SFAR will pay a one-way air-ticket to the Loanee prior to his travel. When returning to the country after completion of studies, the Loanee shall apply for an air-ticket at least **30 days before the expected date of travel**. Applications for tickets shall be addressed to SFAR in writing through either e-mail or fax, specifying the date of travel. Requests by telephone will not be accepted. No refund will be made to Loanees in respect of tickets purchased without written authorisation from SFAR.
8. Excess luggage: The equivalent amount for 30kg of excess luggage will be transferred/refunded to the Loanee whose return ticket application has been approved by SFAR.
9. Other travel and medical insurance services will be paid as specified in annex 2.

Article 5: Cessation of loan disbursement

1. Notwithstanding the above, disbursements continue if and only if the students continue successfully their studies. The loanee shall provide SFAR with a half-yearly progress report as instructed by SFAR. The progress report shall comprise a proof, delivered by the Loanees' HLI, that the Loanee has successfully finished the courses planned during that session (or attended the courses if the academic year is not organised in distinct sessions). In addition, the Loanee shall attach the end-of session or end-of year exams results. When certificates are awarded at certain academic stages, the Loanee shall present those diplomas to SFAR. All payments will cease immediately in case of:
 - a) Death of the Loanee,
 - b) Drop-out or exclusion from the HLI or from the country of studies
 - c) Repeating a year: loan disbursement is terminated for the year of repetition, once the student is promoted to the following year, he/she may re-apply to SFAR for continuation/amendment of his/her original contract **within 14 days** after the results have been published by the HLI. The Loanee submits to SFAR a re-application request comprising of:
 - i) A re-application letter addressed to the SFAR Director General. The Loanee shall clearly indicate his/her name, national ID number, SFAR ID number, SFAR contract number and date of application.
 - ii) A progress report from HLI certifying regular attendance of the Loanee during the previous year and his/her promotion to the next year. SFAR management will review the request and notify the Loanee of the decision.
 - d) Failure to send the complete accurate half-yearly progress reports
 - e) And other cases specified in the contract.

⁴ Will be subject to review from time to time and communicated to the Loanees.

2. SFAR will require the Loanee, his/her HLI and/or Rwandan Embassy in the Loanees' host country⁵ to report all cases of abrupt interruptions of studies during the school year. HLI's will be also required to transmit the academic results of the students for each academic session or year.
3. In addition, the transfer of funds to the Loanee for successive years of study will be done in accordance with the Government policy on students' loans.

Article 6: Extension of the bursary/loan

The duration of the studies and therefore, the amount of loan/bursaries can be extended in the following cases:

- a) Sickness: In case of severe sickness resulting in the suspension of studies by the Loanee, the loan shall be required to apply for extension of the bursary/loan by submitting the following:
 - iii) A written request for extension with an academic progress report, confirmed by the HLI demonstrating the performance of the student, the recommendation of the HLI for the extension period.
 - iv) A medical certificate delivered by a medical doctor from a recognized hospital indicating in clear terms the type of disease and/or the type of disabilities endured.
 - a) An approval from the HLI ascertaining the claim
- b) Any other case[s] that the Loanee must justify proof of
 1. The SFAR management will review the extension request and will notify its decision to the Loanee. The contract will be amended subsequently.
 2. In the event that the request for extension has not been accepted, the suspended/repeated year will not be funded by the Loaner.

Article 7: Loanees' obligations

The Loanees' obligations are:

1. To abide by the laws of the Republic of Rwanda and the host country.
2. To observe the rules and regulations of the HLI.
3. Not to change course without authorisation from SFAR and to submit half-yearly academic report.
4. Not to leave the host country at any time during the period of study without formally notifying SFAR, in this case the time of departure and return and the purpose of departure must be indicated.
5. To return to Rwanda within **three [3] months** after completion, termination or interruption of the studies or when recalled by SFAR, whichever comes earlier.
6. To seek employment after completion of study and notify SFAR of the employment status through the employer if any until the loan has been fully re-repaid⁶.
7. To inform SFAR of their contact address **within thirty (30) days** after completion, termination or interruption of the studies or when recalled by SFAR.
8. To repay the amount of the loan to the GoR in accordance with the repayment plan prescribed in annex 3 and to other articles of the present contract.
9. To present the "SFAR Loan Repayment Status" to their employers when signing their employment contract and to authorise their employers to deduct the loan repayment from their salaries and to remit it to SFAR. An employer is a person or an entity in Rwanda or abroad who employs temporarily or permanently a beneficiary of a SFAR loan with or without an employment contract. In case of self-employment, the Loanee is considered as his/her own employer and is submitted to the same obligations towards SFAR.
10. The employers, who employ beneficiaries of SFAR loans, are required to inform SFAR in writing within a period of one (1) month of such employment.
11. Upon confirmation by SFAR that the person employed is a Loanee, the employer shall deduct from the wages or remuneration of the Loanee, 8% of the gross salary and pay it to SFAR within 15 days after the end of each month.

Article 8: Revision of the terms of the contract

1. SFAR reserves the power to alter the terms of this contract in accordance with the policy on disbursement of study loans. Amounts of loans can be adjusted annually by the decision of the SFAR Board. If the Loanee does not agree with the new terms, he/she has the option to refuse the amendment. In case of the Loanees' refusal, the contract will be terminated according to conditions specified in article 9.3.
2. The following cost adjustments, due mainly to the service providers, are done automatically. They will not be subject to an amendment and are automatically acceptable by the Loanee:

⁵ The country in which the Loanee is studying

⁶ Any exceptions to this shall be formally requested from SFAR in writing.

- i) Annual adjustments of tuition fees by the HLIs
- ii) Adjustment to the costs of air-tickets and excess luggage
- iii) Adjustment to the costs of insurances, etc.

Article 9: Termination by the Loaner

The loaner shall have the right to terminate this contract as follows:

1. Immediately and without notice to the Loanee, including the beneficiaries of non-repayable bursary, if:
 - a) the Loanee is guilty of any gross willful or negligent misconduct in relation to the his/her studies and to the laws of the country of his/her residence ;
 - b) the Loanee commits any breach of the provisions of this contract and will not remedy to it within thirty [30] days of a written notice addressed to him/her by the Loaner;
 - c) the Loanee has provided or provides false information to the loaner during his/her application, selection and contract process or during his/her studies or after completion/interruption of his/her studies or during his/her employment.
2. Upon giving **not less than thirty [30] days** notice in writing to the Loanee if:
 - a) The type of the loan given to the Loanee is cancelled, delayed or reduced in amount and time for any reasons whatsoever;
 - b) In the opinion of a suitably qualified medical practitioner, the Loanee has become unable to effectively undertake or continue the studies specified by this contract due to illness or disability.
 - c) The Loanee has not responded to or has refused the contract amendments proposed by SFAR.
3. In all cases under Article 9.1 a), b) and c) of this contract, the loaner shall have the right to recall its loan/bursary and to require the Loanee, even if he/she is a beneficiary of a non-repayable bursary, to repay immediately **100% of the amount of loan previously received**. The "repayment plan for the Loanee", specified in annex 3, shall not apply. In addition, the Loanee will be guilty of an offence and liable to a fine equal to 10% of the amounts previously received, payable to the SFAR. The loaner will also have the right to take legal actions against the loanee.
4. In all cases under Article 9.2 a), b) of this contract, the Loanee has the obligation of starting repayment of all amounts previously received.

Article 10: Termination by the Loanee

Except the provisions of article 9, the Loanee shall have the right to terminate the contract at any time without specific reasons upon giving **a minimum of sixty [60] days** notice in writing to the Loaner. The notice shall be addressed to the SFAR Director General. The Loanee has the obligation of starting repayment of loan amounts previously received according to the terms specified in annex 3.

Article 11: Repayment options⁷

The Loanee can choose between two [2] repayment options:

1. One up-front payment: Pay principle [net amount of loan]. There is no interest charges
2. Deferred Monthly Repayment: Deferment of principle [net amount of loan] plus 5% annual interest.

The loaner will establish repayment records based on this information provided by the Loanee.

Article 12: Contract effectiveness

The Contract will become effective when all of the following conditions are fulfilled:

1. The HLI provides the final registration of the Loanee to SFAR⁸.
2. The Government budget in respect of the study bursary/loan has been approved.

When these conditions are met, SFAR will make the first payment to the Loanee directly or through the intermediary organisation whichever applicable. The date of the first payment is the date of contract effectiveness.

⁷ Subject to amendment as proposed by the SFAR Board

⁸ Will be done through the loanee

Article 13: Correspondence

For the purpose of this contract, the Loanee shall address all correspondence by ordinary mail to:

SFAR Director General, Post office Box: 3667, Kigali-Rwanda.

Telephone: 580293 or 580294, Fax: 580292, and e-mail: info@sfar.gov.rw

Or by mail or fax or handed to: 1st Secretary of Rwandan Embassy in the country of studies/host country.

SFAR correspondence to the Loanee will be through the Embassy which will remit to the Loanee the original of SFAR correspondence, or directly sent by ordinary mail to the Loanee's contact address specified in this contract or in the foreign country as updated by the Loanee.

Correspondence by e-mail and fax can be used by both parties to accelerate communication. But any official amendment, or notification which will result in modifying the terms of the present contract shall be confirmed by an original and fully signed letter sent by ordinary mail through the embassies or directly to SFAR and to the Loanee. The date of reception of the letter sent by ordinary mail will prevail.

Article 14: Specific provisions for beneficiaries of non- repayable bursaries

1. The Loanee can only be deemed as a beneficiary of a non-repayable bursary If and only if the SFAR Board or the Selection Committee designated by the Board has decided in a public selection session that the Loanee has been selected as a beneficiary of a non-refundable bursary. The decision of the SFAR Board or the Selection Committee shall be certified by the chairperson of the SFAR Board by signing below. Unless otherwise specified in this Contract, all articles of this contract shall apply to the beneficiary of a non-repayable bursary except for articles and annexes specifying repayment conditions.
2. This contract is signed in two [2] copies. One copy for SFAR and one copy for the Loanee. All the two (2) copies of this loan contract must be original. Photocopies, scanned or fax copies are not allowed.
3. Please attach a passport size photo to this contract.

Done at Kigali on: __ / __ / ____ [date]

<p>The Loanee:</p> <p>Mr./Mrs./Miss First Name.....</p> <p>Family name:</p> <p>Signature.....</p>	<p style="text-align: center;"><i>On Behalf of the Government of the Republic of Rwanda, SFAR Director General</i></p> <p>FirstName.....</p> <p>Family name:</p> <p>Signature.....</p> <p>Official stamp.....</p>
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Certification of specific provisions for beneficiaries of non-repayable bursaries:

I, the undersigned, Chairperson of the SFAR Board, hereby certify that by decision of the Selection Committee held on date:/...../....., and ratified by the Board, the Loanee has been selected as a beneficiary of a bursary and will not be required to pay back his/her loan.

[Name]..... [Signature] [Date].....

Please annex a copy of the following to the signed loan contract

- Copy of the national Identity card or passport
- Certified copies of your previous certificates
- Letter of admission to your current program of study (for current students)
- Curriculum vitae (CV)
- Recommendation letter from your employer (for those employed)

Annexes to this contract:

Annex 1: Type and duration of studies for which the loan is allocated

This loan contract is valid only for the particular studies, the level of study and duration specified hereafter in annex 1. **For additional level (s) of study, (a) new loan application is necessary.**

1	Full name of the HLI	
2	Faculty and /or department of the above institution	.....
3	Title of the studies/course	.....
4	Total duration of the studies as defined by the HLI:	..... years
5	Year in which the Loanee enters the studies [e.g. year 1, year 2]	.....[e.g. year 1, year 2]
6	Total duration of the Loanees' studies in the programme [in years] for which SFAR will pay the loan	..... years, From: dd/mm/yy/...../..... To: dd/mm/yy/...../.....
7	Level of study and diploma to be obtained:	<input type="radio"/> Bachelors degree [Licence] <input type="radio"/> Master's degree <input type="radio"/> PhD
8	Exact title of the degree to be obtained	.....
9	Full name of country of study	

Annex 2: Initial amount of loan allocated to the Loanee⁹:

1	Amount of loan: Tuition fees	An estimated annual amount of..... Paid directly to the HLI, the students account or to the Rwandan Embassy in the host country
2	Amount of loan: subsistence	..... per month, paid 12 months per year, paid each quarter
3	Maximum number of years	As stated in annex 1 part 6 of this contract
4	Amount of loan: research	As per course structure
5	Travel	One single air ticket at the beginning of studies and one single ticket at the end of studies. 30 kg of excess luggage for returning students. Special application for tickets during research is necessary.
6	Insurances	As per individual Loanee case
7	Other (to specify)	
8	Annual adjustments	As decided by the SFAR Board

Annex 3: Repayment plan for the Loanee¹⁰

1	Minimum salary	..... Frw per month [on gross salary/income/profit] [to be fixed by the SFAR Board and may be subject to review from time to time]
2	Amount of loan to be repaid	
3	Repayment rate	.....% age of monthly gross salary deducted on progressive rate [depending on Loanee's income, the higher the income the higher the rate]
4	Interest rate	..... % on the outstanding balance of the loan

⁹ Will be subject to review from time to time as will be determined by the SFAR Board

¹⁰ To be determined by the SFAR legal policy law and will be subject to review and availability of funds from time to time.