

TANZANIA EDUCATION AUTHORITY

LOAN AGREEMENT GUIDE

1. Borrower

The borrower shall be Government and non Government Institutions dealing with Education. The Institution must be registered by TCU, NACTE or the Ministry of Education and Vocational Training.

2. The Competent Authority of the borrower

The Chief Executive or the Acting Officer on her absence shall sign the loan agreement.

3. Security to secure the loan

Immovable asset that covers 150% of amount of loan. A guarantor of assurance 100% of amount of loan.

4. Duration

Duration between the application and grant of the loan must be within a reasonable period of time.

5. Grace period and interest policy:

The longer the payment period of the loan and the more the installments, the higher the interest rate.

Grace Period	Payment Period	Installments	Collateral/ Guarantor	Interest
0-6 months	1-12 months	1	✓	2%
6-12 months	13-36 months	1-2	✓	4%
12 months	37-60 months	3-5	✓	6%

6. Payment Duration

1- 36 months = short term
37-60 months = medium term

7. Dispute Settlement

The Attorney General's Chambers shall appoint an arbitrator, but the borrower may express reservations.