

## **GEWA COOPERATIVE SOCIETY**

### **FREQUENTLY ASKED QUESTIONS (FAQs)**

#### **1> What is the essence of GEWA Cooperative Society?**

It is a good means of assisting members to access loans for their businesses and personal needs and a good source of income for GEWA.

#### **2> Who is eligible to be part of GEWA Cooperative Society?**

Any financial member of GEWA

#### **3> What guides our activities as a co-operative society?**

The Co-operative Law of Lagos state of Nigeria 2003.

#### **4> What is our projected membership of the Cooperative?**

200 members minimum

#### **5> How do you open an account with the Cooperative?**

Get an application form for N1,000

#### **6> How much is the membership or registration fee?**

- a) Joining fee(non-refundable): N15,000 (to be paid during registration)
- b) Shareholding fee: N35,000 (to be paid within 3 months of joining).

#### **7> How do members pay N35,000 each?**

Once or by instalments within 3 months

#### **8> What is the essence of the shareholding?**

To build up working capital

#### **9> What is the minimum and maximum contribution I can make?**

Minimum of N5,000 and maximum of N50,000 monthly.

#### **10> What is the minimum and maximum loan amount I can borrow?**

Maximum of 200% of contribution.

#### **11> How long do I have to save to be entitled to the loan?**

Six (6) months

#### **12> What is the difference between multi-tenor deposits and monthly savings?**

Monthly savings are regular contributions and must be consistent while multi-tenor deposits are not but can be liquidated at maturity.

### 13> What tenors are available for the investment deposits and loans as well as applicable interest rates?

DEPOSITS: 6-8% per annum (subject to the prevailing rates in the market)  
30-90 days - 6% p.a  
91-180 days - 7% p.a  
181-365 days - 8% p.a

LOANS: 1.5% flat per month

### 14> Can a member just dump a large sum of money into the cooperative account as an investment without regular contribution?

No.

### 15> What percentage of my contribution can a member access as loan?

200%

### 16> What is the minimum and maximum loan amount that can be borrowed by an individual?

There is no limit to individual saving but there is a cap as to how much an individual can borrow which is the "single obligor" limit. Using either a percentage of amount available for investment (investible fund) or Total asset of the cooperative as benchmark.

### 17> Can I still have access to another loan if I have an existing loan?

No

### 18> Can I withdraw my money while I am still saving?

Yes, for the purpose of loan or upon exit with a 3 months' notice.

### 19> Do I need to provide a guarantor to access a loan?

Yes, two (2) guarantors who must also be members of the Cooperative.

### 20> Can someone who serve as a guarantor also secure a loan?

Yes, on the unencumbered balance which must also be guaranteed.

### 21> What is the duration for loan repayment?

Repayment is maximum of one year, but it can be lower. If it takes 6 months to contribute 100%, repayment of 200% should not exceed 12months plus interest payment. It is necessary to note that granting of loan is not automatic. There will be a credit committee that will review each request. Loan will be administered subject to availability of loanable funds.

22> Will there be penalty if a member defaults in paying back his loan?

1% of default amount or N500 whichever is higher shall be charged as penalty.

23> Apart from borrowing, what are the other benefits of being a member of GEWA co-operative?

Profit sharing from investment

24> How will the co-operative invest members contributions?

Fixed deposits, treasury bills, money market fund as the market dictates and commodity trading during festive seasons

25> Can a member divest during exit?

Yes

26> How will the value be determined at exit stage?

This will be determined by the Management Committee.

Can we expand the scope to include our spouses and or Children?

Yes

27> Is there a connection between subscription to the group life insurance scheme and the membership of the cooperative?

For the GEWA Co-operative to work, members must first subscribe to GNI Group Assurance Scheme to serve as insurance in case of death of any member(s).

Where a financial member who is a subscriber to Group Life Insurance and a member of GEWA Co-operative is indebted because of the loan taken, the first beneficiary of the insurance Claim Payment shall be the Cooperative Society in order to clear the outstanding loan amount.

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