

INTRODUCTION OF SERVICE FEES

Following the approval of the cost recovery principle that was part of the revised CEDA guidelines, the Agency informs both current and potential customers that, cost recovery charges will be implemented with effect from the 1st May 2022.

Schedule of costs:

SERVICE	FEES							
Loan Classification	Micro		Small		Medium		Large	
Sector Priority	Non Priority	Priority	Non Priority	Priority	Non Priority	Priority	Non Priority	Priority
Loan Range	P500	P300 000	P300 001	P1 000 000	P1 000 001	P10 000 000	P10 000 001	P50 000 000
ITC Fee	P10	P10	P10	P10	P10	P10	P10	P10
Non-committal letter	P50	P50	P50	P50	P50	P50	P50	P50
Appraisal Fee/Arrangement Fee	Free	Free	Free	Free	0.05%	0.025%	0.05%	0.025%
Commitment Fee	Free	Free	Free	Free	0.01%	0.01%	0.01%	0.01%
Loan Statement Fee	Monthly - free	Monthly - free	Monthly - free	Monthly - free	Monthly - Free, Historic P20 Additional -P5	Monthly - Free, Historic P20 Additional -P5	Monthly - Free, Historic P20 Additional -P5	Monthly - Free, Historic P20 Additional -P5
Monitoring Fees (Management Fee)	Free	Free	Free	Free	0.01%	0.01%	0.02%	0.02%
Late Payment Penalty	Free	Free	Free	Free	P30	P30	P30	P30
Early Settlement Fee	Free	Free	Free	Free	One-month interest	One-month interest	One-month interest	One-month interest
Appeal Fee	Free	Free	Free	Free	P3000	P2000	P5000	P4000
Loan Rescheduling Fee	Free	Free	Free	Free	P50	P50	P50	P50

TERMINOLOGY

ITC Fee

As part of the Agency's pre-appraisal process, each individual or company will be checked for credit worthiness through the national credit bureau. A credit report is then compiled; this is a description of your credit history and payment behaviour that is maintained by credit bureaus, in our case, TransUnion.

The report contains information such as your name, address, employer name and Omang number—the details you give to lenders when completing a credit application form. This fee will be combined with the Loan Application Handling Fee and only charged on approved loans.

Non-committal letter

A non-committal letter is a letter issued to citizens by CEDA to help facilitate approval of applications for business plots, public transport permits and other government offerings that are advertised through public tender process. The letter states that CEDA has the capacity to fund and support any business that meets the necessary Agency requirements; it is not a commitment to finance the client if he/she gets awarded the asset. For CEDA to support the application, the client needs to commit to use the asset as contribution towards the proposed business. A client will have to pay a fee for issuance of this letter.

Arrangement Fee

An arrangement fee is payable by the borrower to the Agency on signing the loan agreement, usually calculated as a percentage of the amount of the loan (And is incorporated into the loan).

Commitment Fee

A commitment fee is a percentage that the Agency will charge a borrower to whom it has agreed to extend a loan to. The commitment fee is a way of guaranteeing that CEDA will keep the funds available for the client. The commitment fee relates to a charge that will be levied on those projects that would have exceeded their draw down dates and does not relate to approval. This fee is intended to remedy the late implementation of project, and will be charged to promoters who delay fully drawing down their loans with a view to delay commencement of repayments.

Loan Statement Fee

A loan statement is a document that shows your account activity, including deposits and withdrawals. One statement shows the activity over a "statement period," which is typically one month.

Monitoring Fees (Management Fee)

Monitoring or management fees are fees associated with any activity that is directly linked to the management of any project, this may include site visits, write up of monitoring reports, etc; and these are charged quarterly.

Late Payment Penalty

Late payment penalty refers to a charge our customers will pay if they fail to make a payment on an existing loan obligation with the agreed installment or payment due date.

Early Settlement Fee

Early settlement is when a financed package or agreement is settled before the agreed last repayment date.

Appeal Fee

Any individual is entitled to a review of the Agency's decision to decline a request through the Appeals Department. If permission to appeal is granted, the appellant will be required to pay the set fee for re-assessment of their declined proposal.

Loan Rescheduling Fee

Loan rescheduling refers to restructuring the terms of an existing loan agreement. The loan can be rescheduled as follows:

- Reducing installment amounts by extending the repayment period.
- Pausing payments or reducing payment amounts during a given period and then increasing the number of the monthly instalments.
- Reducing the repayment period.

Should you require any further clarification, please feel free to contact your nearest CEDA Branch.

TOLLFREE NUMBER: 0800 600 253

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