

FAQ – Frequently Asked Questions

Vehicle and Asset Finance Facility

1. What is Asset Finance? What can be financed under Vehicle and Asset Finance?
 - We finance any moveable asset that is easily identifiable, that is, it has a serial or registration number

Examples of these include:

- Motor vehicles, saloon, pickup trucks
- Lorries and light commercial vehicles
- Construction equipment
- Earthmoving equipment
- Industrial and factory equipment
- Agricultural equipment
- Cranes Hoists and related lifting equipment
- Computers & IT equipment
- Medical equipment

2. Examples of items are not financed under Vehicle and Asset Finance facility?

- Furniture
- Software
- Scaffolding
- Fabrication materials
- Equipment consumables

3. I have a piece of land that I purchased a few years ago. I would like to put up some a building on the land. Can CBA finance me to put up the building?

- Yes the bank can assist you. However, in Asset Finance, we only deal with movable assets and buildings are not. If you get in touch with our Corporate or Business banking units, they may assist you to achieve the goal.

4. For how long can I finance the different assets?

- New Vehicles –4 to 5 years
- Used Vehicles – 3 to 4 years [Minimum age 7 Years]
- Construction equipment, up to 5 years
- Earthmoving equipment up to 5 years
- Industrial and Factory equipment up to 5 years
- Agricultural equipment 2 to 4 years
- Cranes Hoists and related lifting equipment up to 5 years
- Computer equipment 2 to 3 years
- Medical equipment up to 3 years

**The periods may vary slightly for different business lines*

5. Will the bank finance me the full cost of the vehicle or I need to pay a certain percentage of the cost?

- The bank does not finance the full value or cost of the asset. This means that the bank and the borrower both contribute to the purchase of the asset at different % to the purchase price.

We finance assets at different levels as here below:

- New Commercial, Private Vehicles and Long Haulage Trucks - 80% to 90%
- New Machinery and Equipment – 70 to 90%
- Used Commercial and Private Vehicles – 70% to 80%
- New Tractor – 60% to 70%
- Construction equipment 70 to 90%
- Earthmoving equipment 70 to 90%
- Industrial and Factory equipment 70 to 90%
- Agricultural equipment 60 to 70%
- Cranes Hoists and related lifting equipment 70 to 90%
- computer equipment 50 to 90%

**The level of financing may vary slightly for different business lines*

6. Do I need security or collateral for the finance that the bank will grant me?

- No. The asset we finance and the business cash flows are the primary security for the facility

7. Do you finance any type of vehicle or machinery that I require?

- This will depend on your business and the type of asset you require. We will also review the type of asset applied for, its age, make, quality, reliability and durability

8. What age of vehicles do you finance?

- We finance vehicles that are 7 years old. Therefore depending on the date of purchase the year of manufacture could be different.

9. Do you require a valuation report?

- Yes, we do request for a valuation report to determine the actual state of the asset and secondly, its market value.

10. What is a valuation, who does it and do I require one?

- We have a panel of valuers who are authorized to value assets being financed by the bank and this would be availed to you on request.

11. What do you use to determine how much you can finance me between the valuation price and the selling price?

- We use the lower of the two.

12. Is there a maximum amount I can borrow of the bank?

- We look at the business in question, the asset you are require, the revenue the asset will generate and your current revenues to determine your ability to repay the facility. Therefore we do not have a maximum amount save for the maximum limit each bank is allowed to lend to one single customer and these changes from time to time.
- On the other hand we have a minimum loan amount of Kes 500,000.00

13. I have been in business for the last 10 years and I have never seen the need to register the business, can you still lend to me?

- The business does not need to be registered for us to lend to you. However going forward you should consider having the same registered for ease of borrowing.

14. Some banks insist that one must be an accountholder to get an asset finance facility. Is that the case with CBA?

- No. With CBA we can finance you the purchase of an asset based on your bank statements from another bank. However once we grant you the facility, we will require you to open an account with CBA and use the account for part of your business banking.

15. What type of Insurance do you require take on the assets being financed?

- All assets financed by the bank need to be insured under a comprehensive cover for vehicles and an all risk cover for machinery. Where the total insurance premium cost is high, the bank is willing to finance the same over a maximum period of 10 months

16. Do you require vehicle tracking devices to be installed in financed vehicles?

- Where the vehicle is valued for Kes 1m or more, we require you to have the vehicle fitted with a tracking device by a company in our panel.
- Where the vehicle is valued for less than Kes 1m, we require you to have the vehicle fitted with anti-theft device

Insurance Premium Finance Facility

1. What is Insurance Premium Finance?
 - This is a product that allows you to pay for your insurance premiums immediately and repay the facility over a maximum period of 10 months and a minimum period of 4 months
2. Can you finance all types of policies?
 - We finance all types of Insurance except Term Life Insurance
3. Will you pay the money to me so that I can forward it to the Insurance Company?
 - The funds are paid directly to the Insurance Company and your Insurance broker / agent is informed immediately this is done.
4. Do you need security for the facility?
 - The facility is guaranteed by the insurance company. However, if any of your payments do not come through, they will cancel your policy immediately.
5. How will I be paying for the monthly installment?
 - You can pay through cheques (first one will be a current cheque and the rest postdated) or through standing order
6. Do I have to be an account holder for you to finance my insurance premium?
 - No. Even if you do not have an account with us we will still finance your insurance premium. However, you will note that CBA has very friendly products which can easily meet your other needs. We will be glad to provide the same to you
7. If my cheque or payment does not go through, what happens?
 - We will call you immediately to replace the payment and also inform your insurance broker / agent / company
8. What interest rate will you charged for the facility?
 - The interest rate applicable varies and also depends on the amount of insurance premium. Please contact us for the current interest rate schedule