

# 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.