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## PEF PROGRAMME II

### PEF SCHOOL FEES LOAN PACKAGE

Starting January 2005, the PEF scheme has been restructured to include a school fees loan package for parents in Africa.

At the beginning of every term, parents in Africa are confronted with the Herculean impasse of paying school fees for their wards. Part of the problem is the inevitable increase of school fees every academic year. This has utterly increased the financial burden and commitment of parents/guardians in these hard times. All the same, parents are obliged to discharge their duties of providing their children with good education.

The AYF recognizes that human resources development is fundamental for the achievement of the objectives of its Progressive Educational Fund (PEF) Programme.

The Organisation has therefore designed the PEF School Fees Loan Package for salaried workers/regular income earners, to relieve them of this financial commitment and to facilitate the development of African human resources.

The PEF School Fees Loan Package is a tripartite arrangement for the mutual benefit of parents, educational institutions and the Organisation. The package makes payment of school fees by parents very affordable and repayment of loans easy and convenient at the same time.

### BENEFITS TO PARENTS

- School fees payment is made easy;
- Full Academic Year School Fee Payment is guaranteed;
- School Fee Loan facility to cover maximum of two wards per parent/guardian per annum;
- Repayment of school fees loan is by monthly instalment over a period of 6 and 12 months;
- Convenience of payment of school fees direct to the School Authorities;
- Interest rate is between 5% lower than the normal interest rate;
- PEF Child Protection Fund is arranged to guarantee payment of wards' school fees for the full academic year;
- The Package is an annual renewable Contract; and
- The loan amount is automatically adjusted to reflect increases in School Fees;

### BENEFITS TO EDUCATIONAL INSTITUTIONS

- Attractive interest rates to be paid on Deposits;
- Payments of school fees on due date is guaranteed;
- Liquidity is assured;
- Convenience of school fees paid directly from the AYF;
- Saving of resources and time hitherto spent for collecting fees at the beginning of every school term.

## **ELIGIBILITY CONDITIONS**

- Parents to confirm minimum deposit of 20% of the Annual School Fees to be maintained on account.
- A one year minimum period of employment in the Parents place of work.
- Regular employee or self-employed in or of a reputable Organisation or Company.
- Payment of salary through account with acknowledgeable bank in country of residence.

## **TARGET BENEFICIARIES**

- Salaried workers or regular income earners.

## **SECURITY**

- a. Employer to submit Letter of Irrevocable Undertaking to pay salaries of beneficiaries through acknowledged bank;
- b. Letter of acknowledgment from the said banks for the last three months income.

## **PACKAGE MODALITY**

1. Customer makes a minimum deposit of 20% of Annual School Fees into Savings Account;
2. AYF secures agreement with Educational Institution to pay Full School Fees on behalf of parent/guardian;
3. AYF then gives a short-term loan to parent to pay School Fees of his/her ward(s);
4. Loan to be secured by Irrevocable Letter of Undertaking from the Employers to pay salary of parent through a bank;
5. Repayment of principal and interest of the loan will begin in Month One of the loan period; and
6. For self-employed, repayment will be tailored to suit the individuals needs.

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