

LEGAL NOTICE NO. 1

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

THE PUBLIC FINANCE MANAGEMENT (MOMBASA COUNTY ASSEMBLY
(STAFF) CAR LOAN AND MORTGAGE FUND) REGULATIONS, 2026

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THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

IN EXERCISE of the Powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance makes the following Regulations —

THE PUBLIC FINANCE MANAGEMENT (MOMBASA COUNTY ASSEMBLY
(STAFF) CAR LOAN AND MORTGAGE FUND) REGULATIONS, 2026

PART I—PRELIMINARY

Citation and Commencement

1. These Regulations may be cited as the Public Finance Management (Mombasa County Assembly (Staff) Car Loan and Mortgage Fund) Regulations, 2026 and shall come into operation upon publication.

Interpretation

2. In this Regulations, unless the context otherwise requires—

“Applicant” means an employee of the County Assembly;

“Committee” means the Mombasa County Staff Car Loans and Mortgage Committee established under Regulation 6;

“County Assembly” means the County Assembly of Mombasa;

“Borrower” means an applicant in receipt of a car loan and or mortgage out of the Fund;

“Fund” means the Mombasa County Assembly Staff Car Loan and Mortgage Fund established under Regulation 3;

“Member of Executive Committee” means County Executive Committee Member responsible for Finance;

“Member of Staff” means a public officer employed by the County Assembly of Mombasa;

“Prescribed form” means the application form in the Second or Third Schedule of these Regulations;

“Public Officer” means —

(a) any State Officer; or

(b) any person, other than a State Officer, who holds a public office.

PART II—ESTABLISHMENT AND ADMINISTRATION OF THE FUND

Establishment of the Fund

3. There is established a Fund to be known as the Mombasa County Assembly Staff Car Loan and Mortgage Fund.

Object of the Fund

4. The object of the Fund shall be to provide funds for granting car loans and mortgages to members of staff of the County Assembly as may be prescribed from time to time by the Salaries and Remuneration Commission.

Sources of funds

5. (1) The sources of funds for the Fund shall consists of—

- (a) monies appropriated by the County Assembly for that purpose;
- (b) monies received from the County Revenue Fund;
- (c) gifts, grants, or donations approved by the County Assembly;
- (d) monies accruing to the Fund from loan repayments and interest;
- (e) any monies that may accrue to the Fund from any source in the course of exercise or performance of the functions of the Fund.

(2) There shall be paid out of the Fund any expenditure approved by the Committee and incurred in connection with the management and operation of the Fund.

PART III—ADMINISTRATION OF THE FUND*Establishment of the Committee*

6. There is established a Committee to be known as the Mombasa County Assembly Staff Car Loan and Mortgage Fund Management Committee.

Composition of the Committee

7. (1) The Committee shall comprise—

- (a) the Deputy Clerk of the County Assembly who shall be the Chairperson and Fund Manager;
- (b) a Member of the County Assembly nominated by the caucus of the County Assembly;
- (c) a Member of the County Assembly nominated from the Committee on Budget, Finance and Appropriations;
- (d) the Head of the Accounts Department in the County Assembly;
- (e) the Deputy Head of the Legal Department in the County Assembly or its representative;
- (f) the Deputy Head of the Internal Audit Department in the County Assembly; and
- (g) the Deputy Head of the Human Resource Department in the County Assembly.

(2) The Committee may co-opt any person to attend any of its meetings for purposes of assisting or advising the Committee but such a person co-opted has no right to vote on any decision.

(3) The Deputy Head of the Human Resource Department shall be the Secretary to the Committee.

Functions of the Committee

8. The functions of the Committee shall be—

- (a) to vet and approve car grants, car reimbursement, car loans and mortgages of eligible applicants;
- (b) to formulate sound policies for regulating the management of the Fund;

- (c) to raise and solicit for funds and other assistance to promote the functions of the Committee;
- (d) to receive any gifts, donations, grants or endowments made to the Fund and to make legitimate disbursements therefrom;
- (e) to establish links with financial institutions for the furtherance of the purposes for which the Fund is established;
- (f) to grant loans and mortgages, as the Committee may deem fit to eligible applicants;
- (g) to perform and exercise all other functions and powers conferred to the Committee by these Regulations or any other law.

Meetings of the Committee

9. (1) The Chairperson shall convene and preside over all the meetings of the Committee and in his or her absence a person elected by the Committee shall preside over the meeting.

(2) The Committee may meet on a need basis but the Chairperson shall, upon requisition in writing by at least four members of the Committee, convene a special meeting of the Committee at any time.

(3) The resolutions of the Committee shall be by simple majority.

(4) The quorum for a Committee meeting shall be a half of the Committee members.

(5) The Secretary shall cause minutes and proceedings of all the Committee's meetings to be entered in the minute-book kept for that purpose.

Delegation by the Committee

10. (1) The Committee may delegate the functions of appraising and approving loans and managing the Fund to a commercial bank approved or designated by the Committee as an agent of the Committee.

(2) Where the Committee delegates the functions of appraising and approving loans and managing the Fund to a commercial bank, the bank shall strictly be an agent of the Committee.

Vacation from office of Committee Members

11. A member of the Committee shall vacate office if that member—

- (a) resigns from office by giving a written notice to the Chairperson;
- (b) is removed from office by the appointing authority on grounds of gross misconduct, incompetence, or violation of these Regulations or any other written law;
- (c) ceases to hold the office by virtue of which the member was appointed to the Committee;
- (d) is adjudged bankrupt;
- (e) is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months without the option of a fine; or
- (f) is unable to perform the functions of the office by reason of physical or mental infirmity.

PART IV—APPLICATION FOR MORTGAGE AND CAR LOAN

Administrator of the Fund

12. The County Executive Committee Member for Finance shall designate the administrator of the Fund in accordance with section 116 of the Public Finance Management Act, 2012.

Application for and grant of Loans and or Mortgage

13. (1) Any applicant wishing to be considered for a car loan and/or mortgage shall make an application to the Committee in the prescribed form or in such other manner as the Committee may prescribe.

(2) A public officer may apply to the Committee for a loan to clear an existing bank loan, advanced to the staff to buy a car or residential property provided that the loan granted to a staff under this regulation shall not exceed such amount authorized by Salaries and Remuneration Commission.

(3) A mortgage obtained under these Regulations shall be utilized for the purchase or development of residential property for the occupation of the applicant and his or her immediate family.

(4) A mortgage for the development of residential property may be granted by Committee—

- (a) to an applicant who is in possession of a title deed to the land on which the development is intended to be carried out; or
- (b) if the applicant is in possession of other ownership documents that are authentic and certified by the County Executive Committee Member in-charge of Lands, Physical Planning and Housing.

(5) The Committee may also issue the first instalment for the purchase of the land at which the residential property is to be developed and a subsequent instalment for the development of the property to an applicant with no title deed.

(6) The amount of the first instalment granted for the purchase of land under subsection (4) above shall not exceed forty per cent of the maximum loan amount for which the applicant is eligible.

(7) An application for a loan for construction purposes shall be accompanied by the following documents where applicable—

- (a) copies of the designs of the proposed residential property duly approved by the County authority within whose area it is to be situated;
- (b) bills of quantities in respect of the proposed development;
- (c) an official search of the title to the property intended to be purchased;
- (d) a certified copy of the sale agreement relating to the property; and
- (e) any other document that the committee may require for the purposes of determining the application.

(8) Where the property intended to be purchased through a mortgage from the Fund is leasehold property, such mortgage shall be granted where the expiry date of such lease is at least forty-five years beyond the final mortgage repayment date.

(9) The borrower shall bear the costs of stamp duty, transfer fees, legal fees and other related charges.

(10) A mortgage granted under these Regulations for members of staff shall be payable over a maximum duration of twenty years as provided for in the Salaries and Remuneration Commission Circular.

(11) The Committee may, where it deems appropriate, recommend the appointment of an Advocate to act on its behalf in respect of transactions relating to the property under these Regulations.

(12) If the Committee rejects the application, it shall notify the applicant of such rejection in writing and the reasons thereof and shall promptly communicate its decision to the applicant.

(13) A public officer shall be required to give prior authority in writing for gratuity to be utilized to clear any outstanding debt in case the member loses the employment before fully repaying the loan.

Interest Rate

14. The rate of interest applicable on both car loan and mortgage shall be three (3%) per cent per annum on a reducing balance for the duration of the loan or as may be revised by the Salaries and Remuneration Commission.

Registration of Charge

15. The Committee shall have a charge registered on any mortgage property financed through a loan granted under these Regulations and such charge shall impose an obligation on the borrower—

- (a) not to mortgage, charge, surrender the lease, or sell or agree to sell or part with possession of the charged property or part thereof without the prior written consent of the Committee;
- (b) to meet and pay all rates, rents, insurance and any other outgoings in respect of the property and send proof of such payments to the committee; and
- (c) to provide a transfer deed duly signed by the borrower and a letter authorizing the Committee to sell the property to recover the arrears in case of default in payment.

Quality of property

16. All residential properties purchased or developed through the Fund shall be of such standards and constructed of such materials the Committee may approve.

Use of mortgage property

17. During the loan repayment period, every borrower shall—

- (a) ensure that the property is used for residential purposes only;
- (b) maintain the property in a satisfactory state or repair; and
- (c) make no extension or any structural alteration to the property or title thereto without the prior approval of the Committee.

Grant of Car Loan

18. (1) The Committee may grant a car loan to any applicant and in so granting impose conditions, demand security and require repayment in installments at such times and within a period that the Committee deems fit.

(2) The Committee may, upon the request by an applicant to whom a car loan has been granted, at any time vary—

- (a) the conditions subject to which the car loan was made;
- (b) any security given in relation to the car loan; or
- (c) any of the terms of repayment of the car loan.

Conditions for granting car loan from the Fund

19. An applicant for a car loan may be required to comply with the following—

- (a) be a public officer serving in County Assembly of Mombasa;
- (b) must have been in employment for at least six months prior to making the application for a loan;
- (c) must fill the prescribed form;
- (d) avail identification document such as national identity card, passport.
- (e) avail Kenya Revenue Authority PIN certificate, Credit Reference Bureau clearance certificate or such other documents as the Committee may require;
- (f) secure the loan through any one of the following—
 - (i) logbook of motor vehicle; or
 - (ii) title deed; or
 - (iii) joint ownership between the County Assembly of Mombasa and the applicant so that in case of default the County Assembly of Mombasa may repossess the property to recover the loan deficit.

Notification to applicant

20. (1) Where the Committee has resolved to grant a mortgage or car loan to any eligible applicant, the Committee shall notify the applicant in writing, and require the applicant to comply with any conditions and provide any security which the Committee may impose or demand within a specified period not exceeding six months.

(2) Where an applicant fails to comply with the requirement of the Committee notified to the applicant under sub-section (1) within the prescribed period, the application shall be deemed to have lapsed.

Loan guarantors

21. Where in granting a loan to an applicant the Committee considers it prudent to request for a guarantor to guarantee the loan, the guarantor shall, in case of any default of repayment by the applicant, automatically be fully liable to pay any outstanding amount with interest accrued in full as shall be notified to the guarantor by the Committee.

PART V — FINANCIAL PROVISIONS

Opening and operating of bank accounts

22. The Administrator of the Fund shall cause to be opened and operated, in the name of the Fund, such bank accounts in a bank, approved by the County Executive Member, as may be necessary for the purpose for which the Fund is established.

Books of accounts

22. (1) The Committee shall cause to be kept proper books of accounts and annual statements prepared.

(2) The Administrator of the Fund shall ensure that the Fund and the annual financial statements relating to those accounts comply with the prescribed accounting standards.

(3) The Administrator of the Fund shall cause to be prepared quarterly returns and financial statements to be submitted to the Committee for approval before submission to the County Treasury with a copy to the National Treasury, County Executive Member, Controller of Budget, Office of the Auditor General and Commission on Revenue Allocation.

Audit of the Fund

23. The Fund shall be audited in accordance with the Constitution, Public Finance and Management Act, Public Audit Act and any other relevant law.

Administration Costs

24. The Administrator of the Fund may use a maximum of three percent of the approved budget of the Fund to cover its administrative costs.

PART VI — MISCELLANEOUS PROVISIONS

Protection from personal liability

25. No act or matter done or omitted to be done by any member of the Committee; any member of county assembly or member of staff or other person in the service of the Fund; or any person acting under the direction of the Committee; shall, if that act or matter was done or omitted to be done in good faith in the execution of a duty or direction, render that member or person personally liable to any civil liability.

Insurance policies and mortgage protection cover

26. (1) A borrower shall take and maintain a life insurance policy and fire insurance policy with an insurance company approved by the Committee, the cost of which shall be paid out of the Fund and debited in the borrower's account.

(2) Every borrower of a house under construction shall take a mortgage protection cover for the provisional sale price of the property.

Custody of documents

27. The originals of all documents in relation to property financed by a loan from the Fund shall be kept in safe custody by the officer administering the Fund/Fund Manager.

Recovery of money due

28. (1) Where a repayment of a car loan and or mortgage is not made in accordance with the terms and conditions of the car loan and or mortgage as provided for under these Regulations, the sums of money due and owing to the Fund may be recoverable without prejudice to any other remedy, in civil proceedings in a court of law.

(2) Such recovery shall include—

- (a) the sums of money specified as outstanding with respect to the principal sum initially advanced;
- (b) interest accrued on the sum of money that remains unpaid; and

- (c) all costs and charges incurred by the Fund to recover the unpaid money and interest.

Remuneration

29. The Committee members and other persons appointed to perform any function under these Regulations shall be paid such allowances as determined by the Salaries and Remuneration Commission.

Fringe Benefit Tax

30. The County Assembly Service Board shall pay any fringe benefit tax for the public officer who applies and is granted a car loan and or mortgage.

Winding up of the Fund

31. (1) Where the lifespan of the Fund lapses, the process of winding up shall commence within six months from the date of the lapse.

(2) The final report after winding up the Fund shall be submitted to the Auditor-General for audit and the County Assembly.

Repeal

32. The Public Finance Management (Mombasa County Assembly Members and Staff Car Loan and Mortgage Fund) Regulations, 2018 is repealed.

Transitional Clause

33. The following transitional provisions set out in this Part shall apply—

- (a) all the funds, assets, other property both movable and immovable, and liabilities which immediately before such date were vested in the Mombasa County Assembly Members and Staff Car Loan and Mortgage Fund that belong to Staff of County Assembly shall, by virtue of this paragraph, vest in the Mombasa County Assembly Staff Car Loan and Mortgage Fund;
- (b) all rights and powers which immediately before such day were vested in, imposed on or enforceable against the Mombasa County Assembly Members and Staff Car Loan and Mortgage Fund shall, by virtue of this subsection, be vested in, imposed on or enforceable against the Mombasa County Assembly Staff Car Loan and Mortgage Fund;
- (c) any reference in any written law or in any document or instrument to the Mombasa County Assembly Members and Staff Car Loan and Mortgage Fund shall in regard to staff be construed to be a reference to the Mombasa County Assembly Staff Car Loan and Mortgage Fund;
- (d) the annual estimates of the Mombasa County Assembly Members and Staff Car Loan and Mortgage Fund in regard to staff for the financial year in which the appointed day occurs shall be deemed to be the annual estimates of the Mombasa County Assembly Staff Car Loan and Mortgage Fund for the remainder of that financial year;
- (e) the administrative directions made by the Mombasa County Assembly Members and Staff Car Loan and Mortgage Fund which are in force immediately before coming into force of these Regulations in regard to staff shall have effect as if they were directions made by the Mombasa County Assembly Staff Car Loan and Mortgage Fund under these Regulations.

SCHEDULES
FIRST SCHEDULE

MORTGAGE FOR MEMBERS OF STAFF	
<i>Beneficiaries</i>	<i>Mortgage Loan</i>
Civil Service Grades S,T,U and Equivalent grades in Public Service	Up to KSh. 20 Million
Civil Service Grades P,Q,R and Equivalent grades in Public Service	Up to KSh.15 Million
Civil Service Grades K,L,M,N and Equivalent grades in Public Service	Up to KSh.10 Million
Civil Service Grades G,H,J and Equivalent grades in Public Service	Up to KSh. 6 Million
Civil Service Grades A,B,C,D,E,F and Equivalent grades in Public Service	Up to KSh.4 Million

CAR LOAN FOR MEMBERS OF STAFF	
<i>Beneficiaries</i>	<i>Car Loan</i>
Civil Service Grades S, T, U and Equivalent grades in Public Service	Up to KSh. 4 Million
Civil Service Grades P, Q, R and Equivalent grades in Public Service	Up to KSh.3 Million
Civil Service Grades K, L, M, N and Equivalent grades in Public Service	Up to KSh.1.5 Million
Civil Service Grades G, H, J and Equivalent grades in Public Service	Up to KSh.800,000
Civil Service Grades A, B, C, D, E, F and Equivalent grades in Public Service	Up to KSh.600,000

SECOND SCHEDULE

COUNTY ASSEMBLY OF MOMBASA

APPLICATION FORM FOR COUNTY ASSEMBLY MORTGAGE SCHEME FUND
CONFIDENTIAL

I. PARTICULARS OF APPLICANT

Name in Full Age
 Address.....
 ID No Personal Identification No.
 Amount of Loan Requiredfor Years

II. EMPLOYMENT DETAILS

(a) Position Years of Service Terms of Service
 (b) Current Net Salary/House Allowance received (attach recent pay Slip)
 (c) I confirmed that the information above is as per records in our file
 Sign.....

HEAD OF HUMAN RESOURCE

III. TRANSFER OF EXISTING MORTGAGE

Existing Mortgage Account No Name of Company providing
 Outstanding amount KSh. Do you want to transfer this
 amount to County Executive Mortgage Scheme Fund? Yes.....No.

IV. PARTICULARS OF PROPERTY

1. Address of property to be mortgage L.R Street/Road
 Estate Description of property
 (Land or existing buildings)
 2. State if the property is Freehold () Leasehold ()
 3. If Leased, state length or unexpired item

V. IF THE APPLICANT IS ON EXISTING BUILDING

State if: Bungalow (....) Maisonette () Flat () with main Rooms
 Bedrooms WCs Kitchen/s
 Servant quarters Garage Purchase Price
 Vendor Name Address
 Is property now mortgaged? Yes () No () If Yes, please attach a letter of consent from
 the issuing company.

IF THE APPLICATION IS ON BUILDING UNDER CONSTRUCTION

1. Purchase price of land KSh Estimate cost of building KSh
 2. Name and Address of Architect.....

3. Name and Address of Contractor.....

4. Has the building work commenced? Yes () No () If yes, date of completion.....

Return the application with the following: - 1. EXISTING PROPERTY. Copy of Sale/purchase Agreement Duly signed and stamped. Copy of Title Document, Official Search, Valuation report, Or 2. UNDER CONSTRUCTION: copy of Title Document, Specifications of works, Approved Building Plans, Registration Certificates for Contractor and Architects valuation report.

I declare the foregoing statement and particulars to be true. I can maintain tile Mortgage payment the other outgoings in connection with the property.

Applicant Signature Date

VI. FINANCIAL APPRAISAL

1 - A third of Net salary/House KSh

2. Monthly Deductions including interest and cost of mortgage insurance KSh

3. 1 Certify that after the monthly instalment, there will be remaining a net salary of KSh which is more/less than one third of total earnings.

I recommended Mr. / Hon./ Mrs./Miss proposal be/is not approved.

Signature Date

Chairperson Mortgage Scheme Fund

VII. FUND ADMINISTRATOR

Date document received Date of Search

Date charge registeredReference No

Loan agreement signed and registered on

Is Transfer Deed signed by borrower and letter authorizing sales in case of default

Receipt for deposit, Stamp Duty and legal fees No

CONFIDENTIAL REPORT:

.....
.....
.....

Signature..... Date

Approval by Fund Administrator

X. ACCOUNTS TRANSACTIONS/MORTGAGE PROCESSING

Date documents received from Fund Administrator

Cheque No Amount ID/No

Signature..... Date

FUND ACCOUNTS SECTION

Return the application with the followings:-

1. EXISTING PROPERTY: Coy of sales, Valuation report, or
2. UNDER CONSTRUCTION: Copy of Title Document, Specifications of Works, Approved Building Plans, Registration Certificates for contractor and Valuation report, official search.

THIRD SCHEDULE

COUNTY ASSEMBLY OF MOMBASA

APPLICATION FORM FOR COUNTY ASSEMBLY CAR LOAN SCHEME FUND

PART I

TO: THE FUND MANAGER

I Age of P.O. Box

....., hereby apply for a car loan to purchase the motor vehicle described below.

DESCRIPTION.

1. Make Model Type of Body

Engine No Chassis No Registration

2. State if New or Second-hand

(If second hand, AAA Valuation Report should be attached).

3. Particulars of accessories and value if included in the cost price of vehicle:

Cost price of the vehicle KSh

Less Deposit to be paid by me KSh

Balance of vehicle loan KSh

(Add insurance Premium) only to be added if to be paid by the Fund) KSh

4. Name of insurance company

5. Name of supplier

6. Address of Supplier

(In the event of a supplier not being a recognize motor vehicle dealer, vendor must produce proof that he is owner of the motor vehicle. This should be a receipt, invoice or other such evidence of ownership as may satisfy the Fund Administrator approximate date of delivery)

7. I undertake to have the car registered in the name of County Assembly of Mombasa and myself.

8. I undertake to register a charge in favour of County Assembly of Mombasa entitling the County Assembly to sell the Motor Vehicle in the event of breach of the terms and condition of loan agreement.

9. I wish to pay the amount due under that purchase Agreement by monthly instalments recovered from my salary of KSh

10. I agree to hold the vehicle covered by full comprehensive insurance through-out the period of the loan repayment.

Signature..... Date

Car Loan Applicant

PART II

RECOMMENDATION BY THE OFFICER ADMINISTERING THE FUND

I. I Certify that Hon/Mr/Mrs/Miss is eligible for a motor vehicle loan and has a current net salary of KSh

2. I certify that payment of the monthly instalments will not cause financial embarrassment /constraints

3. I recommend that Hon/Mr/Mrs/Miss application be approved in full up to a limit of Ksh Payable in months

Signature..... Date

Officer Administering the Fund

PART III

APPROVAL BY LOANS MANAGEMENT COMMITTEE

TO: COUNTY EXECUTIVE COMMITTEE MEMBER FINANCE

The loan Management Committee in their meeting of approved Hon/Mr/Mrs/Miss s application of Ksh in respect of car loan to be repaid over a period of months and further sum of KSh in respect of insurance premium to be paid over 12 months the loan.

Signed..... Date.....

Chairperson of Car Loan Scheme Fund

Made on the 11th March, 2026.

EVANS OANDA,
*County Executive Committee Member for Finance,
Economic Planning and Digital Transformation.*