



LOAN SECURITY DEPOSIT ACCOUNT APPLICATION

EMPLOYEE NO: _____

I _____ of PO Box _____, Tabubil, Western PNG, wish to open a **Loan Security Deposit (LSD) Account** with the Society.

I will at all times abide by the terms and conditions set out below.

1. LSD funds, including any interest earned cannot be withdrawn at any time except upon ceasing to be a member of the Society.
2. LSD funds cannot be used to offset (reduce) a member's loan account with the Society.
3. LSD funds cannot be used as a source for obtaining a loan with the Society.
4. LSD funds cannot be transferred to the normal savings account a member has with the Society.
5. The Society will accept deposits into an LSD account through direct payroll deductions, from cash deposits or a transfer from the normal savings account a member has with the Society.
6. The total LSD fund, including interest earned standing to the credit of the member as at the date of ceasing to be a member of the Society will be paid to the member or the member's nominated beneficiary/ies as stated on the 'MPSL Membership form Beneficiary Section' after all debts owing to the Society have been recouped.
7. The LSD account will earn interest annually at an interest rate as determined by the Society's Board of Directors from time to time.
8. Members who do not have an LSD account will be subject to a 1:1 lending ratio when applying for a loan.
9. Contributing members may enjoy a high lending ratio when applying for a loan where LSD fund exceeds the normal savings account balance, on the condition that the loan is fully secured.
10. Members will not be allowed to use as security or assign any portion of LSD funds to a third party without prior approval from the Society.
11. The Society will have the first call on a member's LSD account in the event the member is declared bankrupt and a court order is pending.

I have read and fully understand the terms and conditions of the LSD account and will not hold the Society management, the Board of Directors nor the Supervisory Committee responsible for any short coming as a consequence of me signing this Agreement.

Member's Signature: _____ **Date:** _____

Society Staff Signature: _____ **Date:** _____