

COUNTY ASSEMBLY OF SAMBURU



THE HANSARD

Wednesday, 2nd September, 2020

The Assembly met at the County Assembly chambers at 2:30 p.m.

Temporary Speaker, (Hon. Peter Lempei) in the Chair

PRAYER

QUESTIONS AND STATEMENTS

MCA Maralal Ward, (Hon. Fred Kiragu): Thank you very much Hon. Speaker. Hon. Speaker, pursuant to Standing Order 43(2) (c), I hereby request for a statement from the Chairperson on Labour, Legal Justice and Social Welfare regarding the County Assembly of Samburu Car and Mortgage loans insurance.

Hon. Speaker Sir, a mortgage is a debt instrument secured by the collateral of specified real estate property that the borrower is obliged to payback with a predetermined set of payments.

Hon. Speaker Sir, mortgage insurance is an insurance policy that protects a mortgage lender or the title holder if the borrower defaults on payments, passes away or is otherwise unable to fulfill the contractual obligations of the mortgage.

Mortgage insurance can refer to private mortgage insurance (PMI), qualified mortgage insurance premium (QMIP), Insurance or mortgage title insurance. What these have in common is an obligation to make the lender or property holder hold in the specific cases of loss. Mortgage Life Insurance on the hand, which sounds similar, is designed to protect heirs if the borrower dies while owing mortgage payments. It may take pay off either the lender or their heirs depending on the terms of the policy.

Hon. Speaker Sir, if upon your passing on and no one has been designated to inherit the loan, and no one pays the lender will still need to collect the debt. Therefore, the lender usually ends up selling the home to recoup the debt. This means, if someone intends to keep the home then they must continue to pay the mortgage.

Hon. Speaker Sir, when somebody dies any existing debt including a mortgage don't disappear. Generally, they must be paid by the executor of the estate before any savings are passed on to the family or other named beneficiaries named in the will.

Hon. Speaker Sir, if no one makes the mortgage payment after the home owner's death, the mortgage lender can for close just as it could during his/her lifetime. If someone does not make payment however, typically nothing changes. Responsibility for the payment usually comes down to the terms of the decent will.

Hon. Speaker, in view of this, the Chairperson should inquire into and report on;

- i. Whether there is insurance to the County Assembly of Samburu Car and Mortgage loans scheme?
- ii. What happens in case of demise of mortgage holder before fully repaying the whole amount owed?

Thank you Mr. Speaker.

Temporary Speaker, (Hon. Peter Lempei): Thank Hon. Member. I think I will use the discretion of the Chair if there is any Member who wants to add more information on the statement that the Hon. Member is seeking.

Specially Elected MCA, (Hon. Stephania Lanyasunya): Thank you Hon. Chair. Hon. Speaker, I want to support and really congratulate Hon. Kiragu for the timely statement. However, Hon. Speaker I really feel this is an administrative issue and the House cannot legislate on it. On the same line Hon. Speaker, I think this a matter that should be followed up through the Office of the Clerk and Chair of the County Assembly Service Board. Thank you Hon. Speaker.

MCA Waso Ward, (Hon. Paul Wonyang): Thank you Mr. Speaker. I think what has been alluded by Hon. Madam Lanyasunya is not right. Because the operationalization of the Mortgage and Car loans is normally is an Act, it is legislation. And I am sure what Hon. Kiragu has done is correct. What we would like the Chairman of Welfare is to fast track, because when it comes to matters of living or dying, it is normally beyond us because we don't know what will happen even tomorrow. So it should happen within the shortest time possible. Thank you.

Temporary Speaker, (Hon. Peter Lempei): Looking at the mood of the House and also owing to the gravity and the urgency that this matter deserves, I direct that the Committee gives back the response on the 8th day of September, 2020 on Tuesday next week at 2:30 pm.

ADJOURNMENT MOTION

Temporary Speaker, (Hon. Peter Lempei): Hon. Members, the time being 19 minutes past 3 o'clock and there being no other business this Assembly now adjourns until Thursday, 3rd September, 2020 at 2:30 pm.