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Losing the Plot: Rapid Assessment of Household Debt in Trapeang Anhchanh

Sahmakum Teang Tnaut • a Cambodian Urban NGO
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With special thanks to the residents of Trapeang Anhchanh

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Executive Summary

The Rehabilitation of the Railway in Cambodia Project (the Project) involves the resettlement of approximately 1,050 households from their homes along Cambodia’s railway tracks to designated resettlement sites. Implemented by the Royal Government of Cambodia (RGC), the Project is primarily funded by the Asian Development Bank (ADB) and Australian Agency for International Development (AusAID). Households affected by the project (Affected Households or AHs) are entitled to compensation in accordance with the Project’s Resettlement Plans, which must be in compliance with ADB’s Safeguard Policies. The first paragraph of the ADB’s Policy on Involuntary Resettlement (1995) outlines its guiding principle:

“People who may be adversely affected by the development intervention should be consulted; compensated for their losses; and assisted to rebuild their homes and communities, reestablish their enterprises, and develop their potentials as productive members of society at a level generally at least equivalent to that which was likely to have prevailed in the absence of the development intervention. Attention to such matters is especially important when the people who may be adversely affected are poor and vulnerable.” (ADB, 1995, p.1)

Households affected by the project can be divided into two main categories: “fully” affected households, whose homes along the railway tracks fall into the “corridor-of-impact” and must therefore completely, or in the main, be demolished to make way for the rehabilitation; and “partially” affected households, who can remain in the railway’s “right-of-way” for the time being, but may have to demolish part of their houses or other structures.

As part of the RGC’s “compensation package”, all AHs are entitled to monetary, market-rate compensation of their losses based on their pre-Project circumstances. “Fully” affected households relocating to Project-sponsored sites are furthermore entitled to participate in an Income Restoration Program (IRP), in recognition of the fact that resettlement might result, at least temporarily, in reduced income earning capacities.
At least 161 households in Phnom Penh have been relocated as a result of the Project, mainly from villages in the Communes of Kilomet Lek 6 and Toul Sangke (Russey Keo District) and Boeung Kak I Commune (Toul Kork District). Since September 2011, the majority of “fully” Affected Households, have moved to Trapeang Anhchanh, a resettlement site in Por Senchey District, some 25km from central Phnom Penh. The new Project-sponsored site sits adjacent to an older site, home to families from earlier resettlement projects implemented by the Royal Government of Cambodia, but facilities and services remain rudimentary, livelihood options are limited, and transport links to the city are infrequent and expensive.

It has been widely documented that the design and implementation of the railway resettlement process has been inadequate, and many of the challenges that Affected Households are currently facing could have been foreseen and avoided (BABC, 2012; STT, 2011, 2012). Compensation payments, seemingly based on figures from 2006 and not adjusted for annual inflation, have in the majority of documented cases proved to be insufficient to cover the costs associated with resettlement, such as transportation, house construction, utility installation, and the smoothing of lost income. A lack of guidance and support has further exacerbated the financial shortfalls. Households did not receive advice regarding how they might attempt to construct their new homes within their limited compensation budgets. In addition, it seems clear that heightened expectations on the part of Affected Households regarding what they perceived to be a potential opportunity to improve their living standards were difficult to reconcile with the low amounts of compensation received.

According to research conducted by Bridges Across Borders Cambodia:

“...[Affected Households] had or planned to build bigger or better-constructed houses than their previous ones along the tracks. They provided two reasons for doing so or planning to do:

1) This is their permanent house, on land for which they hope to get land title after 5 years;
2) They want a stronger and safer structure for their families” (BABC, 2012, p.43).

Furthermore, Affected Households were not given feasible options for accessing housing finance or advice regarding debt management prior to relocation, or immediately after. This was in spite of the fact that, in light of their precarious situations and low incomes, it was unlikely that banks and Microfinance Institutions (MFIs) would consider them to be viable borrowers. Instead, months after Phnom Penh households moved to Trapeang Anhchanh, some efforts have been made to encourage households at the site to establish “self-help” savings groups as part of the Project’s Income Restoration Programme.

Self-help savings groups are, however, unlikely to have an impact on the living standards at the site. Following relocation, AHs have found it increasingly difficult to manage their expenses with their diminished incomes, and in many cases both the number of economically active household members, and the earning capacity of each member, has decreased dramatically. According to a community representative at the site, the majority of households have taken on debt as a result. Although land titles will only be distributed to AHs after five years of residency at the site, upon relocation households were given land receipts signed and officially stamped by the District Chief (See Appendix I). With these, households have been able to borrow from informal lenders, who typically charge nominal interest rates of between 6% and 7% per month. Already high, these rates conceal much higher effective interest rates resulting from the practice of compounding the overdue interest payments with the original loan principal amounts.

Households have surrendered original land receipts as collateral against the loans, as well as given vital forms of identification such as National Identity Cards and Family Books to the moneylenders. The loan contracts with the informal lenders often follow a similar template; they are signed by both parties and typically witnessed by two further individuals – often the household’s neighbours, and in some instances, the Village Chief. The contracts stipulate that the lender is entitled to expropriate the borrower’s land if the borrower fails to make the agreed interest payments. The contract further allows the lender to take legal action if the contract is breached by the borrower (See Appendix II). Although the contracts are relatively short and straightforward, they contain a power imbalance between the lender and borrower, which allows the former to impose additional requirements on the latter, e.g. by compounding the interest.

The combined effects of inadequate compensation, a dearth of practical advice, reduced incomes resulting from lack in income-generating opportunities and unsustainable and spiraling levels of debt means that just eight months after resettlement, households in Trapeang Anhchanh are severely overdue with their interest repayments, and are facing regular intimidation from informal lenders. There is a distinct risk that some households will default on their loans and lose their homes and their land in the near future. Furthermore, some households appear to be struggling to afford even their most pressing expenditures such as food. Indeed, in January and May 2012 local human rights organization LICADHO provided emergency food assistance to 37 and 7 households respectively at the site. Others may also be in need, given that many of the households now appear to live below the national poverty line, which according to the ADB in 2007 was $0.62 per day or approximately $19 per month per person, rising to over $23 per
month per person in Phnom Penh. Described as a “very low” poverty line by the ADB, following relocation to Trapeang Anhchanh, it is beyond reach of many of the households featured in this report. (ADB, 2007)

Recommendations

The case studies below outline the very serious predicament of the indebted households, and demonstrate the apparent systematic nature of the problem, highlighting the need for urgent action. In particular, STT calls on all parties to the Project to take the following measures:

1. Conduct an assessment of household debt at Trapeang Anhchanh, and provide direct debt relief as required, through the repayment of all debts taken on by households at Trapeang Anhchanh as a result of relocation to the site under the Project

2. Take immediate measures to ensure no Affected Households lose their plots at Trapeang Anhchanh site or any other Project-sponsored site in the country, and restore ownership to households who have already lost their plots to moneylenders as a result of inability to repay debts

3. Conduct a socio-economic study of all households relocated under the Project and provide immediate humanitarian assistance to Affected Households whose living standards now fall below the national poverty line. In addition, provide compensation for all resettled households whose incomes have fallen as a result of relocation under the Project until their incomes have been restored to at least pre-Project levels

4. Review the Income Restoration Programme and the Expanded Income Restoration Programme in a joint workshop with the community in Trapeang Anhchanh and non-government actors of the community’s choosing, with the aim of developing a new income restoration programme in a participatory fashion that addresses the real needs of the community.
Methodology

STT visited households in Trapeang Anhchanh at the request of the community. The objective of this research was to conduct a rapid assessment and as such it is envisioned that STT will conduct further research, in greater depth, around the issues highlighted. Short surveys were conducted with households who were experiencing acute indebtedness, and the surveys focused particularly around questions of compensation payments, home construction costs, household incomes prior to and after resettlement, and debt.

While all efforts have been made to present an accurate picture of the terms and conditions of the households’ loans, there may be some discrepancies in the figures outlined below between the percentage monthly interest rate, the monthly interest payment amount, and the total amount of outstanding debt. The percentage rates presented usually refer to the nominal, flat, monthly interest rate outlined in the household’s loan contract, but in some cases the monthly interest payments due are higher than expected because the overdue interest payments have been compounded with the loan principal amount. All total outstanding debt amounts outlined are not based on exact figures reported by respondents (as respondents are often unaware of their total outstanding amount of debt), but instead were calculated by STT. The outstanding amount given is calculated from the original loan principal amount, plus the approximate amount of overdue interest. It is likely that these figures underestimate the total outstanding amount of debt, due to the practice of compounding outlined above.

All names have been changed to protect the interviewees.
Losing the Plot: Rapid Assessment of Household Debt in Trapeang Anhchanh (STT 2012)

Sophea, 60

Sophea is 60 years old and lives in Trapeang Anhchanh with her husband and her daughter. Her household was previously composed of five members, but upon relocation Sophea’s two sons chose to remain in Phnom Penh in order to earn an income for the family. In her previous home in the village of Spean Khpos, Sophea lived close to her workplace, where she was employed as a cleaner for a company, earning $50 per month. Sophea’s husband drove a motorcycle taxi, earning on average $5 per day, while her daughter worked in a factory earning $60 per month, and her sons worked as porters for a brewery, each earning $40 per month. With all five members earning a living the family’s combined monthly income was $340.

Since being resettled, Sophea and her daughter have been forced to leave their jobs. Her husband has had to sell his motorbike at a reduced price because he could not afford to repair it. As a result, the family is now reliant on the income of their sons, who must also cover their own living expenses in Phnom Penh.

Sophea’s family received a compensation payment of $793.56 as part of the resettlement process. Sophea felt that her previous home along the railway tracks was too cramped for her family, and she hoped to live in a larger and more appropriate home in the relocation site. The total cost of the construction materials and labour for their zinc home was $2,500.

Sophea and her husband borrowed $1,500 from an informal lender, using their land receipt and ID Cards as collateral. Their debt is a key concern for the family and the stress of the situation is evident. This is the first time that they have ever had to borrow money from anyone other than friends or family. The income from their sons is insufficient to cover their monthly interest payments, and the lender has already threatened to confiscate the family’s land if they are unable to continue to meet the payments.

**Sophea’s debt profile:**

- Monthly HH income prior to resettlement: $340
- Monthly HH income after resettlement (May 2012): $80
- Monthly HH expenses after resettlement (May 2012): $40
- Total amount borrowed: $1,500
- Nominal monthly interest rate: 7%
- Approximate total outstanding debt: $1,500

Sophea in front of her house (May, 2012)
Kunthea, 47

Kunthea is 47 years old. There are eight members in her family, but only five of them live with her in Trapeang Anhchanh. Prior to resettlement Kunthea worked in a factory earning $90 per month, and her husband and son both earned around $5 per day, working as a manual labourer and a porter respectively. Since moving to the relocation site, however, all three income earners in the family have become unemployed. Kunthea’s husband has attempted to find similar work close to Trapeang Anhchanh but the isolated location of the site means that there is limited demand for his labour.

Kunthea received $815 in compensation as part of the resettlement project and the total cost of her new home, constructed from wood, bricks, concrete and zinc, was $2,300. To cover expenses associated with the house construction, as well as to support the family’s daily living expenses, Kunthea borrowed $550 from an informal lender, using her land receipt as collateral against the debt. She subsequently borrowed a further $1,100. Without a reliable source of income and struggling to meet food expenses, the family has not made any interest payments on their loan for four months, and the lender has recently started compounding the overdue interest payments with the loan principal. The lender has threatened to confiscate the family’s land if they continue to default on their payments.

**Kunthea’s debt profile:**

- Monthly HH income prior to resettlement: $330
- Monthly HH income after resettlement (May 2012): $16
- Monthly HH expenses after resettlement (May 2012): $64
- Total amount borrowed: $1,650
- Nominal monthly interest rate: 7%
- Monthly interest payment: $115.50
- Approximate total outstanding debt: $2,112
Vannary, 46

Vannary is 46 years old and lives with her teenage son in Trapeang Anhchanh. Vannary was previously a trader, selling groceries in front of her home on the railway track in Spean Khpos Village. In addition to consuming some of her produce, she earned $112.50 per month and was able to support her son’s education from this income. Since moving to Trapeang Anhchanh, she has continued her trading activities in Phnom Penh, but has seen her net income fall dramatically as a result of increased transportation costs and the fact that she must now pay rent to conduct her business.

The total costs associated with constructing Vannary’s one storey concrete home were $3,000, significantly more than the $660 compensation payment. In order to build her new home, Vannary borrowed $1,500 from an informal money lender using her land receipt. Unable to make her interest payments, she then borrowed a further $150 from two separate NGOs. She provided her ID card and Family Book as collateral and used these loans to make one monthly interest payment to the informal lender, and to make a small investment in her business.

Vannary is five months overdue with her interest payments and the money lender has started to compound her overdue interest payments with her outstanding principal. As a result, the lender has informed her that she has a deadline of June 2012 to resume payments. She has never experienced indebtedness before and is under considerable pressure. She believes that her family’s well-being has deteriorated since moving to Trapeang Anhchanh.

Vannary’s debt profile:

- Monthly HH net income prior to resettlement: $112.5
- Monthly HH income after resettlement (May 2012): $22.5
- Total amount borrowed: $1,650
- Nominal monthly interest rate: 7%
- Monthly interest payment: $105
- Approximate total outstanding debt: $2,139
Sovanna, 46

Sovanna’s debt profile:

- Monthly HH income prior to resettlement: $225
- Monthly HH income after resettlement (May 2012): $32
- Monthly HH expenses after resettlement (May 2012): $84
- Total amount borrowed: $1,275
- Nominal monthly interest rate: 6%
- Monthly interest payment: $72
- Approximate total outstanding debt: $1,851

Sovanna is 46 years old and is married with one son. In her previous home in Kilomet Lek 6 her husband worked as a porter earning around $7.50 per day. While he continues to search for similar work, there are limited opportunities for him in the resettlement site. When Sovanna’s family resettled, they received a payment of $749.57 in compensation and built a wooden and zinc house in Trapeang Anhchanh costing $1,200.

Sovanna’s family borrowed $1,200 from an informal lender to construct her home, at a nominal interest rate of 6% per month. The family provided its land receipt as collateral. Sovanna also borrowed $75 from an NGO, at 3% per month, in order to divert this loan to the interest payments to the informal lender. She has, however, been unable to make interest payments for eight months and the lender is compounding her loan principal with her outstanding interest payments, making the debt increasingly unmanageable. The lender has informed her that if the total outstanding debt reaches $3,000, he will seize her land.
Chantha, 56

There are sixteen members in Chantha’s family, eleven of whom are living in Trapeang Anhchanh. Prior to resettlement the family was dependent on a monthly income of around $140, from Chantha’s husband’s job as a construction worker and porter. Since moving to the resettlement site, the family has struggled to find opportunities for employment, although Chantha’s husband does manage to find sporadic work as a porter. They live in a partially constructed wooden and zinc house which cost around $600 to build.

They borrowed money in order to build their home. Chantha has not made any interest payments to the lender for three months, and as a result the lender has started compounding the overdue payments with the original loan principal amount. Chantha is requesting urgent assistance because she is worried that if the family were to be displaced from Trapeang Anhchanh, they would have nowhere else to go.

Chantha’s debt profile:

- **Monthly HH income prior to resettlement:** $140
- **Monthly HH income after resettlement (May 2012):** $30
- **Monthly HH expenses after resettlement (May 2012):** $70
- **Total amount borrowed:** $1,600
- **Nominal monthly interest rate:** 7%
- **Monthly interest payment:** $105
- **Approximate total outstanding debt:** $1,915

The family borrowed $1,500 from an informal lender at a nominal interest rate of 7% per month, and $100 from an NGO at a lower interest rate, but is finding it impossible to keep up with the interest payments to the informal lender.
Saroeun, 55

Saroeun is 55 years old and he lives with his fourteen dependants in a wooden house in Trapeang Anhchanh. Upon relocation, he received a compensation payment of $660.02 but constructing the family’s new home cost $1,000. In Phnom Penh, Saroeun had two sources of income; he worked as a motorcycle taxi driver and as a construction worker. On average he could earn $140 per month. Since resettlement, Saroeun has been able to continue to drive his motorcycle taxi, but is no longer able to find construction work and as a result the household’s monthly income has halved.

Saroeun initially borrowed $1,000 from an informal lender and then borrowed a further $550, in order to pay for the construction of the family home, and to pay for day to day household expenses. He surrendered his land receipt, his ID Card and his Family Book as collateral against the loan. He has not paid any interest for five months, and his interest payments have been compounded with the outstanding principal. Saroeun currently owes approximately $2,075 and the lender has been visiting him regularly, threatening to confiscate his land.

Saroeun’s debt profile:
- Monthly HH income prior to resettlement: $140
- Monthly HH income after resettlement (May 2012): $70
- Monthly HH expenses after resettlement (May 2012): $225
- Total amount borrowed: $1,550
- Nominal monthly interest rate: 7%
- Monthly interest payment: $105
- Approximate total outstanding debt: $2,075
Mom, 32

Prior to resettlement Mom had her own food stall and her husband was a construction worker. They lived in Kroal Kour Village together with Mom’s sister and four other family members. Their combined income was $245 per month. Since moving to Trapeang Anhchanh, Mom has stopped working, and her husband has become a motorcycle taxi driver. Her sister was lucky, finding employment in a factory. Their total household income is now $166 per month. The family lives in a zinc and wooden home measuring 15 square metres. Constructing the house cost $1,000 and the family paid for this using their compensation payment of $693.35 and through borrowing $1,500 from an informal lender. Mom also used the loan to purchase her husband’s motorcycle.

The family has been unable to pay interest on their loan for four months. During STT’s visit in May 2012, Mom told interviewers that the lender has informed her she must commence payments within three month or faces losing her land.

Mom’s debt profile:

- Monthly HH income prior to resettlement: $245
- Monthly HH income after resettlement (May 2012): $166
- Monthly HH expenses after resettlement (May 2012): $140
- Total amount borrowed: $1,500
- Nominal monthly interest rate: 7%
- Monthly interest payment: $105
- Approximate total outstanding debt: $1,920

Mom in front of her house (May, 2012)
**Serey, 55**

Serey is 55 years old. There are thirteen members in her household in Trapeang Anchang. Prior to resettlement, Serey and her husband supported their family by collecting waste and recyclable materials, earning around $210 per month. Since moving to Trapeang Anhchanh, however, they have been unable to continue with this activity because they can no longer reach the area where they used to work. Instead, they have started begging. Two of Serey’s daughters have recently started working in a factory, however, and Serey anticipates that next month they will be able to earn $100.

Serey received a compensation payment of $595 but this was insufficient to pay for the construction of her house which cost $1,500, and as a result the family borrowed $1,500 from an informal lender, offering their land as collateral against the debt. The loan was also used to pay for day-to-day expenses, as the family suddenly found itself without an income. Serey has recently experienced health problems and was also forced to use some of the loan on medical treatment. Serey is already eight months overdue with her interest payments and the lender is compounding these overdue payments with the original loan principal. As a result the amount of outstanding debt has increased drastically. The lender has threatened Serey’s family on several occasions and he has recently informed them that they have just two months before he seizes their land.

**Serey's debt profile:**
- Monthly HH income prior to resettlement: $210
- Monthly HH income after resettlement (May 2012): $100
- Monthly HH expenses after resettlement (May 2012): $140
- Total amount borrowed: $1,500
- Nominal monthly interest rate: 6%
- Monthly interest payment: $150
- Approximate total outstanding debt: $2,220
Sreyvann, 56

Sreyvann is 56 years old and lives with her ten year old grandchild. In her previous home in Boeung Salang, Sreyvann sold food to factory workers outside the gates of factory earning $210 per month. She has continued with this activity since moving to Trapeang Anhchanh and her income has remained constant, but she must now pay transportation costs each day to reach the site, resulting in a reduced net income.

The construction costs associated with her zinc home added up to $1,100, which she paid for using her compensation payment of $730 and through borrowing $1,500 from an informal lender. The loan also supported her living expenses. Sreyvann has not made any interest payments for 4 months, and the lender has started compounding her outstanding principal with her interest payments. Her approximate outstanding debt is $1,860. Sreyvann is very concerned about the prospect of losing her land and being displaced for a second time. She does not know where she would go in the event that her land is confiscated by the money lender.

Sreyvann’s debt profile:

- Monthly HH income prior to resettlement: $210
- Monthly HH income after resettlement (May 2012): $210
- Monthly HH expenses after resettlement (May 2012): $175
- Total amount borrowed: $1,500
- Nominal monthly interest rate: 6%
- Monthly interest payment: $90
- Approximate total outstanding debt: $1,860
Visal, 73

Visal is 73 years old and he lives with his nine dependants in Trapeang Anhchanh. Prior to resettlement, Visal lived in Village 54 and sold groceries in front of his home. Although he continues to earn $70 per month from this activity, he now has to pay for transportation costs to his former village meaning that the family’s net income no longer adequately covers their expenses.

Visal received a compensation payment of $571 and built a new concrete home with a zinc roof costing $8,500. In order to support his family and to pay for the construction of his home in Trapeang Anhchanh, Visal borrowed $1,500 from an informal money lender at 7% per month, putting his land receipt as collateral against the debt. He also borrowed a 0% interest loan of $1,000 from a relative. After two months of not making sufficient interest payments, the money lender has started compounding the overdue interest with the principal amount. Visal’s outstanding debt is currently at least $2,710. Visal told STT staff that if he is unable to pay the interest payments for three consecutive months, the money lender will confiscate his land.
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Sokchea, 56

Sokchea and her grandchildren (May, 2012)

Sokchea is 56 years old and lives with thirteen other family members in a partially constructed two storey concrete home in Trapeang Anhchanh. It cost Sokchea $10,000 to construct her new home, and she paid for this through a combination of the compensation payment of $1,362.28 and debt. Sokchea’s family previously earned around $175 per month from her job selling food snacks outside her home, and from her son’s income as a driver for a private company. Although Sokchea has continued to sell food snacks, the household’s combined income has reduced to $30 per month since moving to Trapeang Anhchanh because there is limited demand for her produce. Sokchea’s son no longer works.

Sokchea’s family borrowed $3,000 from an informal lender and offered their land receipt as collateral. Such a large debt means that the monthly interest payments far exceed the household’s income and they are currently five months overdue with interest payments. The lender had already tried to force the family to leave their land. Sokchea is very worried about the prospect of losing her home and her land.

Sokchea’s debt profile:

- Monthly HH income prior to resettlement: $175
- Monthly HH income after resettlement (May 2012): $30
- Monthly HH expenses after resettlement (May 2012): $140
- Total amount borrowed: $3,000
- Nominal monthly interest rate: 7%
- Monthly interest payment: $210
- Approximate total outstanding debt: $4,050
Chanthida, 59

Chanthida is 59 years old and she lives alone in Trapeang Anhchanh. Previously based in Spean Khpos Village, Chanthida could sometimes earn as much as $100 per month making Baisei, a Cambodian ceremonial offering. She had an arrangement to sell this produce to a middle man, who would in turn sell it in front of pagodas. Since her resettlement, Chanthida has not been able to continue with this activity as it became unviable for the middle man to collect the Baisei from her home in Trapeang Anhchanh. As a result Chanthida’s income has reduced drastically to $7 per month.

Chanthida’s house cost $1,500 to construct and she paid for this using the $488.88 compensation payment that she received, and a loan of $1,000 from an informal lender, offering her land receipt as security against the debt. Chanthida is seven months overdue with her interest payments and these overdue payments have now been compounded with her loan principal. The lender has already threatened her that he will seize her land if she continues to default on her interest payments.

Chanthida’s debt profile:

- Monthly HH income prior to resettlement: $100
- Monthly HH income after resettlement (May 2012): $7
- Monthly HH expenses after resettlement (May 2012): $35
- Total amount borrowed: $1,000
- Nominal monthly interest rate: 7%
- Monthly interest payment: $70
- Approximate total outstanding debt: $1,490
Bibliography


Appendix I – Example of a Land Receipt
### Appendix Ia: English Translation of an Example of a Land Receipt

<table>
<thead>
<tr>
<th>Plot Number: [....]</th>
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<tr>
<td>Location in Village [....] Commune [....] District [....] Phnom Penh.</td>
</tr>
<tr>
<td>Plot Receiver</td>
</tr>
<tr>
<td>Name [....] Sex [....] Age [....] years.</td>
</tr>
<tr>
<td>[Date] Date Issued day [....] month [....] year [....]</td>
</tr>
<tr>
<td>[Thumb Print of Receiver] District Chief</td>
</tr>
<tr>
<td>[Stamp and Signature of District Chief]</td>
</tr>
<tr>
<td>[Name of District Chief].</td>
</tr>
</tbody>
</table>

*Please note: This is an unofficial translation which was translated from Khmer to English internally by STT.*
Appendix II: Example of a House and Land Collateral Loan Contract
Appendix IIa: English Translation of an Example of a House and Land Collateral Loan Contract

The Kingdom of Cambodia

Nation Religion King

House and Land Collateral Loan Contract

My name is [....] Sex [....] Age [....] Nationality [....] and, Name [....] Relationship [....] Sex [....] Age [....] Nationality [....].

Current address: House Number [....] Village [....] Commune [....] District [....] Phnom Penh.

We agree to put Plot Number [....] as collateral, located in Village [....] Commune [....] District [....] Phnom Penh, for a loan of [....], paying interest payments of [....] per month to [Name of Money Lender] Sex [....] Age [....] Nationality [....] living in House Number [....] Village [....] Commune [....] District [....] Phnom Penh.

We promise to pay interest payments every month. If we do not pay interest of [....], we will give Plot Number [....], which we have agreed to put as collateral for this loan, to [Money Lender’s Name], or if we breach this contract we agree to face legal proceedings.

Our thumb prints certify that the information provided above is correct.

[Place of Issue] Date [day] [month] 2011

Thumb print of Lender Thumb print of Witness(es) Thumb print of Borrower(s)

Please note: This is an unofficial translation which was translated from Khmer to English internally by STT.