

Micro Financing Scheme

Under the Micro Financing Scheme, micro-credit is extended to the members of the Self Help Groups (SHGs), specially the minority women scattered in remote villages and urban slums, who are not able to take advantage of the formal banking credit as well as the NMDFC programmes, through its SCAs. NMDFC is implementing the scheme on the pattern of Grameen Bank of Bangladesh and Rashtriya Mahila Kosh (RMK). The scheme requires that the beneficiaries are organized into Self Help Groups (SHGs) and get into habit of thrift & credit, however small.

The scheme envisages micro-credit to the poorest among the poor through NGOs of proven track-record and their network of Self Help Groups (SHGs). It is an informal loan scheme which ensures quick delivery of loan at the door steps of the beneficiaries. Under this scheme, small loans up to a maximum of Rs. 1.00 lacs per member of SHG are provided through the NGOs / SHGs. The scheme is implemented through the SCAs as well as the NGOs. Funds are given to the NGOs /SCAs at an interest rate of 1%, which further on-lend to the SHGs, at an interest rate not more than 7% p.a. The repayment period under the scheme is maximum of 36 months.

S. No.	Parameters	Scheme Details
1.	Loan Amount	Up to Rs. 1.00 Lakh per member of SHG
2.	Rate of Interest for SCA	1% p.a.
3.	Rate of Interest for NGOs by SCAs	2% p.a. (Margin for SCA 1%)
4.	Rate of Interest for SHGs by NGOs	7% p.a. (Margin for NGO 5%)
5.	Rate of Interest for SHGs by SCAs	7% p.a. (Margin for SCA 6%)
6.	Rate of Interest for Beneficiaries/SHGs	7% p.a.
7.	Rate of Interest for NGOs by NMDFC directly	1% p.a. (Margin for NGO 6% p.a.)
8.	Moratorium period	3 Months
9.	Delegated authority to SCA to sanction loan to NGOs/Federation	Limit of Rs.25.00 Lakhs per NGO/Federation
10.	Repayment period for the Beneficiaries	3 Years
11.	Repayment period for the SCAs/NGOs	4 Years / 3 Years
12.	Utilization Period for the SCAs /NGOs	3 Months/ 1 Month
13.	Means of Financing NMDFC: SCA : Beneficiary Contribution	90: 5 : 5