Ref: Kerala SLBC/ SC/52/2020 Date: 30 Mar 2020

SLBC approved Special Loan scheme to Self Help Group

SCHEME	Term Loans to the existing Self help Groups of Kudumbasree (SHGs) members who are affected with COVID 19 pandemic directly or indirectly 1. Fresh Loans to existing SHGs that are not credit linked 2. Top up Loans to the SHGs that are credit linked
PURPOSE	To provide immediate financial support to persons affected directly or indirectly with COVID 19 pandemic. It may include job loss, business loss and income loss due to the Lock down. Loans can be considered to the SHGs members for the purpose of Consumption need.
ELIGIBILITY	All SHGs groups registered with Kudumbasree, who are affected COVID -19 pandemic directly or indirectly. It may include job loss, business loss and income loss due to the Lock down.
QUANTUM	• Need based loan amount, subject to RBI guidelines. The quantum granted under this scheme shall not exceed Rs. 20000 per affected member. Group exposure under the scheme shall not exceed Rs.4 Lakhs and total exposure (existng limit plus the top up loan) per SHG shall not exceed Rs.10 lakhs or the group exposure ceiling prescribed by RBI under the different activities of prority sector lending ,which ever is lower. Loans above Rs.10 Lakhs will be governed by extant guidelines of Bank. • The quantum need not be linked to the savings/thrift of the group • Multiple loans may be considered for a single SHG, within the overall eligible limit
MARGIN	Nil
SECURITY	Nil

DISBURSEMENT	Directly to the savings account of the group.
REPAYMENT PERIOD	The entire tenure of the loan shall not exceed 36 months. Repayment may be scheduled as EMIs commencing after an initial moratorium not exceeding 6 months.
RATE OF INTEREST	9% p.a. linked to MCLR.
PROCESSING CHARGES	Nil
OTHER SPECIAL CONDITIONS	1. The quantum need not be linked to the thrift/savings of the group. 2. The group should not have availed loans from any other financial institution for the same purpose. 3. Only one member from a household is eligible 4. Defaulted SHGs are not eligible 5. The loan application has to clearly mention the list of members who are taking loan under the scheme.
Remarks	1. Government of Kerala will be extending Interest Subvention @ 9.00% p.a. for the entire tenure of the loan upto RS.4 Lakhs subject to overall limit of Rs.10 Lakhs. 2. Operational guidelines regarding claiming/credit of Interest Subvention will be intimated by Kudumbasree Mission, Govt of Kerala 3. Borrower will have to pay installment and interest to the banks and claim refund of interest from Kudumbasree Mission, Govt of Kerala by submitting interest paid certificate from Bank.

Other Points

1. Loans would be disbursed to SHGs of Kudumbasree for onward lending to the eligible beneficiaries
2. Loans up to Rs.4 lakhs may be granted to the Kudumbasree unit who are affected directly/indirectly with COVID 19 pandemic. It may include job loss, business loss, income loss etc due to the Lock down connected with COVID 19 pandemic.
3. Per member exposure is limited to Rs.20000/- subject to a maximum Rs.4 Lakhs for a group. The overall linkage loan shall not exceed Rs.10 Lakhs including the proposed limit.
4. Loans can be considered to the SHGs members for Consumption need.
5. Loan will be given only to existing SHGs of Kudumbasree Mission registered till 30.09.2019 (6 months of existence). Maximum funding to SHG will be Rs.10 lakh including the proposed loan for entitlement of Interest Subvention.

6. Loan will have a total repayment period of 3 years with a moratorium of maximum 6months (inclusive).
7. SHGs to approach the Bank Branch where they have existing credit linkage. SHG without credit linkage have to approach the bank branch where they are bank linked.
8. Government requested the banks to extend the loans at an interest rate of 9.00%.
9. While sanctioning SHG loans, RBI guidelines regarding overall limit per group to be taken into consideration, including the existing liability.
10. The loan may be provided as fresh loan to SHGs that have no existing loans and top up loan to SHGs that are credit linked.
11. Defaulter SHGs are excluded from the purview of the scheme.
12. There shall be a bipartite agreement between Banks and Kudumbasree.
13. Borrowers will be paying loan amount along with interest and Kudumbasree will be reimbursing the interest portion directly to the borrower.
14. Banks may waive the processing/service charges.
15. Kudumbasree may share with Banks the list of eligible SHGs groups and eligible beneficiaries at the earliest.
16. While forwarding the application, Kudumbasree shall capture the income generation activity, KYC and credit need assessment of the beneficiary members
17. Kudumbasree shall provide the credit linkage details of the group.

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