

Microfinance industry to support borrowers get back on their feet

Microfinance Institutions Network (MFIN), an RBI recognized self-regulatory organization and industry association of the microfinance industry in India, today stated that its Members will act as a support to the 13.7 lakh women borrowers in Punjab whose livelihood might have been impacted due to Covid 19.

Achla Savyasaachi, Head – State Initiatives, MFIN said, *“We are aware that our women borrower needs microfinance services more than ever. Her livelihood was impacted due to Covid 19 lockdown and she is now trying to resume work and generate income. The Reserve Bank of India had initially announced moratorium on loans for three months from March 1st to May 31st, and further extended for a period of additional three more months ending August 31st 2020. Our member MFIs will provide her necessary information on the terms of moratorium and additional credit if she needs. This seamless supply of credit will generate economic vibrancy at the bottom of the pyramid.”*

Explaining how the microfinance entities will have a larger role to play in helping borrowers rebuild their lives, Ms Savyasaachi added, *“MFIs will be reaching out to the borrowers to explain them the facility of moratorium, its terms and how to avail it. It is the borrower’s decision to opt in or opt out for it. Borrowers who have money and do not want to incur additional interest cost of moratorium, will be facilitated to repay. At the same time, borrowers who have exhausted their resources and have no income forthcoming, will have the facility of the moratorium to support them.”*

To protect the interest of the borrower, MFIN SRO, which is recognized by the RBI, has established a very strong grievance mechanism cell which attends to the concerns of borrowers in Punjabi language in a timely manner. If the borrower faces any issue in availing moratorium or needs a clarification, she can first reach out to her own lender whose number is mentioned in her loan card. The borrower can further escalate the issue to MFIN SRO at TOLL FREE NUMBER **18001021080**.

Microfinance has been operating since many decades in India to provide formal financial services to the unbanked population of India. The RBI regulated entities like NBFC-MFI, Small Finance Banks, Banks, NBFC and Business Correspondents are working towards providing these services to women borrowers in all parts of the country.