

Harun R Khan, former Deputy Governor, RBI to Chair the Steering Committee of the Code for Responsible Lending (CRL) in Micro-credit

New Delhi, November 28, 2019: Harun R Khan, former Deputy Governor of the Reserve Bank of India will be the first Chair of the Steering Committee of the Code for Responsible Lending (CRL) in Micro-credit.

The CRL is a significant self-regulatory step for the micro-credit industry bringing diverse entities like Banks, Small Finance Banks, NBFC-MFIs and NBFCs etc to voluntarily agree on adhering with standards of customer protection including addressing over-leveraging. CRL was launched in September 2019 by MFIN and Sa-Dhan (the RBI recognized self-regulatory organisations and industry associations for the microfinance industry), along with FIDC (Finance Industry Development Council - industry association for NBFCs).

The CRL is envisaged to be guided and supervised by a Steering Committee representing Banks, SFBs, NBFC-MFIs, NBFCs and industry associations under an eminent independent Chair. Other members of the Steering Committee are Srinivas Bonam - IndusInd Bank, Govind Singh - Utkarsh Small Finance Bank, Sonia Krishnankutty - L & T Finance, Manoj Kumar Nambiar - Arohan Financial Services, Murali Srinivas - Smile Microfinance, Harsh Shrivastava - MFIN and P Satish - Sa-Dhan.

Speaking on his role as the Chairperson of CRL Steering Committee, Harun R Khan said, *"I am excited to be part of this initiative of MFIN and Sa-Dhan. I strongly believe in the importance of promoting responsible finance to protect the interests of underserved and unserved borrowers. This is becoming increasingly important as more and more first generation and women borrowers take microfinance loans. This way of bringing together all microfinance lenders—banks, SFBs, MFIs and NBFCs, on a common platform is unique. I look forward to contributing to this."*

Mr Khan joined the Reserve Bank of India in 1978 working his way up ranks and in diverse areas. He became the Principal of RBI's College of Agricultural Banking (CAB) at Pune before being appointed as the Regional Director of RBI, New Delhi. Between 2007 and 2008, he was the Director at various Public Sector Banks, NABARD and NHB. He became the Executive Director of RBI in 2007 before assuming the title of Deputy Governor in 2011. Mr Khan was also the Chairman of the RBI Internal Group on Rural Credit and Microfinance, which was popularly known as the Khan Committee. Based on the recommendations of the Khan Committee, RBI prepared guidelines for expansion of the banking outreach through the Business Facilitator and Business Correspondent models, which revolutionized the spread of financial inclusion in India.

Over the last two decades, the microfinance industry has successfully become an important way to provide affordable credit, housing, livelihood opportunities to low-income households. MFIN's Micrometer report shows that micro-credit industry has over 9.79 Cr

loans with a loan outstanding of Rs 2,01,724 crore as on 30th September 2019. Nearly 100 lenders have signed the CRL accounting for two-third of the micro-credit industry.

About Microfinance Institutions Network

MFIN is a premier industry association comprising 56 NBFC-MFIs and 35 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. It is also the Self-Regulatory Organization (SRO) for the regulated NBFC-MFI. By virtue of bringing the NBFC-MFIs under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusions goals.