



MICROFINANCE INSTITUTIONS NETWORK

Media Coverage Report

**Press Release: RBI's Harmonized Regulations for Microfinance to
Usher in a New Era for the Industry**

March 14, 2022

Region: National

Media Coverage Index

Si. No.	Date	Publication Name	Edition
RBI's Harmonized Regulations for Microfinance to Usher in a New Era for the Industry			
<u>Print & Online</u>			
1.	15.03.22	The Economic Times	All Edition
2.	15.03.22	Business Standard	All Edition
3.	15.03.22	Business Standard Hindi	All Edition
4.	15.03.22	Mint	All Edition
5.	15.03.22	The Financial Express	All Edition
6.	15.03.22	The Times of India	All Edition
7.	15.03.22	The Hindu	All Edition
8.	15.03.22	The Pioneer	All Edition
9.	15.03.22	The Telegraph	All Edition
10.	15.03.22	The Statesman	All Edition
11.	15.03.22	Millennium Post	All Edition
12.	15.03.22	Morning India	All Edition
13.	15.03.22	Maharashtra Times	All Edition
14.	15.03.22	Ananda Bazar Patrika	All Edition
15.	15.03.22	Bartaman	All Edition
16.	15.03.22	Ei-Samay	All Edition
17.	14.03.22	Economic Times Hindi	Online
18.	14.03.22	Business Standard	Online
19.	14.03.22	The Financial Express	Online
20.	14.03.22	Business World	Online
21.	14.03.22	The Week	Online
22.	14.03.22	The Print	Online
23.	14.03.22	CNBC TV 18	Online
24.	14.03.22	Zee News	Online

25.	14.03.22	Zee Business	Online
26.	14.03.22	Zee News	Online
27.	14.03.22	Republic TV	Online
28.	14.03.22	India.com	Online
29.	14.03.22	Navbharat Times	Online
30.	14.03.22	Rediff	Online
31.	14.03.22	UNI-Mumbai	Online
32.	14.03.22	UNI-Kolkata	Online
33.	14.03.22	The Print Hindi	Online
34.	14.03.22	Devdiscourse	Online
35.	14.03.22	Nyooz	Online
36.	14.03.22	Business Journal	Online

Publication	The Economic Times
Edition	National
Date	March 15, 2022
Page No.	5

URL: <https://economictimes.indiatimes.com/industry/banking/finance/rbi-removes-lending-rate-cap-on-nbfc-mfis-changes-microfinance-definition/articleshow/90199644.cms>

UNIFORM REGULATION for all lenders aim of move; guidelines to help protect borrowers and lower credit costs: experts

RBI Removes Rate Caps On NBFC-MFIs

Our Bureau

Kolkata: The Reserve Bank of India has removed the interest rate ceiling on loans offered by non-bank microfinance institutions (NBFC-MFIs) while making a few other sweeping changes to put all microfinance lenders including banks, small finance banks, NBFCs and not-for-profit companies on a uniform regulatory platform.

The RBI also raised the annual household income to ₹3 lakh for a collateral-free loan to be classified as a microfinance loan. So far, such loans given to households with an annual income of ₹1.25 lakh in rural India and ₹2 lakh in urban and semi-urban areas were classified as microloans.

With this change, unsecured loans by several other non-banking finance companies will also be considered as microloans, industry experts said. All such loans, irrespective of the end-use, will come under

this classification.

The changes announced on Monday will come into effect on April 1.

To protect borrowers from falling into a debt trap — an issue that keeps haunting the sector — the regulator capped the monthly loan repayment of borrowers, saying that it should not exceed half the monthly household income. Also, no loan can be linked to a lien on the deposit account of the borrower, the RBI said. There will be no prepayment penalty on microfinance loans.

"The rule of a 50% fixed obligation to income ratio being applied uniformly to all categories of borrowers will reduce the pressure, lower delinquency and lower credit costs for the industry," said Manoj Nambiar, managing director of Arohan Financial Services.

The harmonised regulations will address concerns related to the over-indebtedness of microfinance borrowers, said Alok Misra, chief executive of Microfinance Institutions Net-

More Freedom

RBI has raised annual household income to ₹3 lakh for a collateral-free loan to be classified as microloan

Unsecured loans by other NBFCs, irrespective of end use, will now be classified as microloans

Monthly loan repayment is capped to below half the monthly household income to prevent debt traps

Margin cap was introduced a decade ago to stop NBFC-MFIs from charging usurious rates

They now have freedom in fixing board-approved rates but will be under RBI scrutiny



work, the industry lobby group.

The margin cap on lending rates was introduced a decade back to stop NBFC-MFIs from charging usurious rates. The RBI has now offered freedom in fixing board-approved lending rates but warned that they should not be usurious and that rates would be under its supervisory scrutiny.

The removal of the interest rate cap

would allow these lenders to go for risk-based pricing, said Sadaf Sayeed, chief executive of Muthoot Microfin. "Raising the household income threshold will help MFIs reach many more households. With a level playing field and increased competition, the end customers will benefit."

The RBI also reduced the minimum requirement of microfinance

loans in the total loan assets of NBFC-MFIs to 75% from 85%.

Banks remain the largest microfinance lenders with an about 40% market share, followed by NBFC-MFIs, small finance banks, other NBFCs and NGOs. Their combined microcredit portfolio stood at ₹2.32 lakh crore at the end of December last year, registering 1.9% growth year-on-year, according to the latest data from industry association Sa-Dhan.

The RBI had issued a draft consultative document on the regulation of microfinance loans in June last year. Now, it issued the final guidelines based on the feedback it received.

The regulator has told NBFC-MFIs to raise their net-owned fund to ₹7 crore by March 31, 2025, and to ₹10 crore by March 31, 2027, from ₹5 crore at present. RBI also removed certain exemptions applied to not-for-profit entities with ₹100 crore and directed them to register as NBFC-MFIs within three months to bring them within its ambit.

Publication	Business Standard
Edition	National
Date	March 15, 2022
Page No.	1,6

URL: https://www.business-standard.com/article/finance/reserve-bank-of-india-removes-interest-cap-for-microfinance-loans-122031500028_1.html

RBI REMOVES INTEREST CAP FOR MICRO LOANS



The Reserve Bank of India (RBI) has increased eligibility criteria for microfinance loans to ₹3 lakh while removing the interest rate cap on such loans. It has also asked all lenders to put in place a board-approved policy on pricing. In the final guidelines for microfinance loans released on Monday, the RBI said it will scrutinise the rates charged by the lenders so that they do not charge usurious rates from borrowers, and has asked the lenders to put in place a ceiling on pricing of loans and related fees.

RBI removes interest cap for microfinance loans

Annual income criteria for loans hiked to ₹3 lakh

SUBRATA PANDA
Mumbai, 14 March

The Reserve Bank of India (RBI) has increased eligibility criteria for microfinance loans to a household having an annual income of up to ₹3 lakh while removing the interest rate cap on such loans. It has also asked all lenders to put in place a board-approved policy on pricing.

In the final guidelines for microfinance loans released on Monday, the RBI said it will scrutinise the rates charged by the lenders so that they do not charge usurious rates, and has asked the lenders to put in place a ceiling on pricing of loans and related fees.

The microfinance institutions are required to disclose pricing-related information to a prospective borrower in a standardised simplified fact sheet. Further, the RBI has asked the lenders to prominently display the minimum, maximum, and average interest rates charged on loans in all its offices, in the literature issued by them, and details on its website.

The regulator has also revised the definition of microfinance loans by increasing the loan cap. Collateral-free loan given to a household having annual household income up to ₹3 lakh will now be considered as microfinance loan. Currently, a microfinance borrower is identified by the annual household income not exceeding ₹1.25 lakh for rural and ₹2 lakh for urban and semi-urban areas.

"All collateral-free loans, irrespective of end use and mode of application/processing/disbursal, provided to low-income households, i.e., households having annual income up to ₹300,000, shall be considered as microfinance loans," the RBI said.

THE GUIDELINES

- All collateral-free loans, irrespective of end-use, considered microfinance loans
- Board-approved policy for income assessment
- Limit on loan repayment is at 50% of monthly household income
- Cap on processing fee and interest removed; disclosures on charges to be made explicit
- Self-regulatory organisations may publish a range of interest rates charged by members for each district, for awareness



The RBI has also said that to ensure collateral-free nature of the microfinance loan, the loan shall not be linked with a lien on the deposit account of the borrower.

"The framework will address issues of over indebtedness and multiple lending, which were of paramount concerns for the sector," said Alok Misra, chief executive officer (CEO) and director, MFIL.

"More importantly, the RBI has taken a prudent view of the bottlenecks that are presented in credit delivery, addressing each of them. Revision of household income is a very progressive move with far-reaching implications as needier and low-income households will now come into the purview of accessible credit, taking us closer to our financial inclusion goal," Misra said.

Chandra Shekhar Ghosh, managing director and CEO of Bandhan Bank, said the latest guidelines are a strong reflection of the maturity that the microcredit industry has reached in India. "It will help harmonise the regulatory framework for different types of lenders, encourage healthy competition and enable customers to make an informed choice regarding their credit needs."

The RBI also said the regulated entities should have board-approved policy to ensure that the outflows of a household on account of repayment of monthly loan obligations should not exceed 50 per cent of the income of the household.

"The computation of loan repayment obligations shall take into account all outstanding loans (collateral-free microfinance loans as well as any other type of collateralised loans) of the household. The outflows capped at 50 per cent of the monthly household income shall include repayments (including both principal as well as interest component) towards all existing loans as well as the loan under consideration," the RBI said.

Also, for existing loans, if outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income exceeds the limit of 50 per cent, then they shall be allowed to mature. However, in such cases, no new loans shall be provided to these households till the prescribed limit of 50 per cent is complied with.

Further, the lenders will not be allowed to charge a penalty if the borrower decides to pre-pay their obligations. Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount, the RBI said.

The RBI also said self-regulatory organisations and other associations may develop a common framework based on the indicative methodology to determine the household income.

Publication	Business Standard Hindi
Edition	National
Date	March 15, 2022
Page No.	1

सूक्ष्म ऋणों पर ब्याज सीमा हटाई

आरबीआई ने सूक्ष्म ऋणों की श्रेणी के लिए सालाना आय बढ़ाकर 3 लाख रुपये की

सुब्रत पांडा
मुंबई, 14 मार्च

भारतीय रिजर्व बैंक (आरबीआई) ने सूक्ष्म ऋणों के लिए पात्रता हेतु सालाना आय की सीमा बढ़ाकर 3 लाख रुपये कर दी है। नियामक ने ऐसे ऋणों पर ब्याज दर की बंदिश भी हटा दी है और सभी ऋणदाताओं से ब्याज दर तय करने के लिए बोर्ड से मंजूर नीति लागू करने को कहा है।

आरबीआई ने सूक्ष्म वित्त संस्थानों से मिलने वाले ऋणों पर आज जारी अंतिम दिशानिर्देशों में कहा कि वह ऋणदाताओं द्वारा तय ब्याज दरें देखेगा ताकि वे कर्जदाताओं से बहुत अधिक ब्याज नहीं वसूलें। इसने ऋणदाताओं से ऋणों की ब्याज दरों और संबंधित शुल्क की भी सीमा तय करने को कहा है। बैंकिंग नियामक ने कहा कि आरबीआई द्वारा विनियमित सूक्ष्म वित्त संस्थान कर्ज मांगने वाले को मानक सरल सूचना पत्र के जरिये दर के बारे में बताएंगे। कर्जदार से ऐसी कोई राशि नहीं



■ कर्ज भुगतान पर मासिक पारिवारिक आय की 50 फीसदी सीमा

■ प्रोसेसिंग फीस और ब्याज पर सीमा हटाई, दरों का स्पष्ट खुलासा करना होगा

वसूल की जा सकती है, जिसका सूचना पत्र में स्पष्ट उल्लेख नहीं किया गया है। नियामक ने सूक्ष्म वित्त ऋणदाताओं से कहा है कि वे अपने सभी कार्यालयों, जारी पुस्तिकाओं और अपनी वेबसाइट पर सूक्ष्म वित्त ऋणों पर वसूली गई अधिकतम, न्यूनतम और औसत

■ सूक्ष्म वित्त ऋणदाताओं से ब्याज दर पर बोर्ड की मंजूरी वाली नीति अपनाने को कहा

■ सभी बिना संपत्ति गिरवी वाले ऋणों को सूक्ष्म वित्त ऋण माना जाएगा

ब्याज दरें प्रदर्शित करें।

नियामक ने ऋण सीमा बढ़ाकर सूक्ष्म वित्त ऋणों की परिभाषा भी संशोधित कर दी है। तीन लाख रुपये तक की सालाना आय वाले किसी परिवार को बिना गिरवी दिया गया कर्ज अब सूक्ष्म ऋण माना जाएगा। इस समय सूक्ष्म वित्त कर्जदार की

परिभाषा में ग्रामीण क्षेत्रों में 1.25 लाख रुपये तक और शहरी तथा कस्बाई क्षेत्रों में 2 लाख रुपये तक की आमदनी वाले परिवार आते हैं।

आरबीआई ने कहा, 'निम्न आय परिवारों यानी 3 लाख रुपये तक की सालाना आय वाले परिवारों को मुहैया कराए जाने वाले सभी गिरवी रहित ऋणों को सूक्ष्म वित्त ऋण माना जाएगा, भले ही उनके उपयोग और आवेदन या प्रोसेसिंग या वितरण का तरीका कुछ भी हो।' आरबीआई ने यह भी कहा कि सूक्ष्म वित्त ऋणों की गिरवी मुक्त प्रकृति सुनिश्चित करने के लिए इन ऋणों को कर्जदार के जमा खाते पर कब्जे से नहीं जोड़ा जाए। एमएफआईएन के सीईओ और निदेशक आलोक मिश्रा ने कहा, 'यह ढांचा जरूरत से अधिक कर्ज लेने या बहुत से कर्ज लेने की समस्या को भी हल करेगा, जो इस क्षेत्र के लिए सबसे बड़ी चिंता थी।' मिश्रा ने कहा, 'इससे भी अहम यह है कि आरबीआई ने उन दिक्कतों को लेकर उचित नजरिया अपनाया है, जो ऋण मुहैया कराने में आती है।'

Publication	Mint
Edition	National
Date	March 15, 2022
Page No.	6

URL: <https://www.livemint.com/industry/banking/rbi-removes-pricing-caps-for-microfinance-lenders-11647285373311.html>

RBI removes pricing caps for microfinance lenders

The move brings NBFC-MFIs on the same level as other such lenders, including banks

Gopika Gopakumar
gopika.g@htlive.com
MUMBAI

The Reserve Bank of India (RBI) has removed caps on the pricing of small loans given by non-banking financial company-microfinance institutions (NBFC-MFIs), bringing them to the same level as other such lenders, including banks. With this, the underwriting of loans will be done on a risk-based analysis, and a risk premium will be charged based on the borrower.

The existing guidelines prescribe a maximum interest rate that a microfinance lender could charge on loans. This is 10-12 percentage points above the institution's cost of funds, or 2.75 times the average base rate of the five-largest commercial banks, whichever is lower.

All microfinance lenders must now put in place a board-approved policy for the pricing of loans, according to the directions issued on Monday. The policy should include a well-documented interest rate model and the different interest rate components, such as cost of funds, risk premium, and margin. It should also contain the range of spread of each component for categories of borrowers and a ceiling on the interest rate and all other charges applicable to the microfinance loans.

"If an institution has access to low-cost funds, it can charge a low-interest rate. If an institution does not have recourse to low cost of funds and borrows from non-bank lenders, it has the flexibility to charge a higher interest rate," said P. Satish, executive director, Sa-Dhan.

RBI has also raised the annual household income level to ₹3 lakh for classification of eligibility to avail of microfinance loans, thus increasing the market



NBFC-MFIs will now have to underwrite loans on a risk-based analysis and charge a risk-premium based on borrower. MINT

size. Earlier, the income caps were kept at ₹25 lakh in rural areas and ₹2 lakh in other areas.

The central bank has also put a limit on the maximum repayment value to 50% of the monthly household income to curtail over-lending to customers. Thus, if the household income is ₹3 lakh,

over-indebtedness and multiple lending, which were of paramount concerns for the sector," said Alok Misra, chief executive officer of MFIL. "Revision of household income is a very progressive move with far-reaching implications as needier, low-income households will now be able to access credit, taking us

microfinance regulation for all lenders. "Increasing the non-qualifying asset limit to a maximum of 25% will allow institutions to achieve a more balanced lending portfolio, reduce the cyclicity and volatility impact on the balance sheet, and strengthen the ability of institutions to weather any external risks," said Udaya Kumar Hebbar, managing director and chief executive officer of CreditAccess Grameen.

The central bank has also increased the maximum limit on microfinance loans given by NBFCs that are not qualified as NBFC-MFIs to 25% from 10% earlier. This would allow lenders such as L&T Finance and Fullerton to increase lending to the MFI sector.

The RBI issued draft guidelines on the regulation of microfinance loans in June last year. It has now issued the final guidelines based on the feedback received.

REVISED FRAMEWORK

ALL microfinance lenders must now put in place a board-approved policy for the pricing of loans

THE policy should include a well-documented interest rate model and rate components

IT should also contain the range of spread of each component for class of borrowers

FURTHER it must have a ceiling on the interest rate and all other charges on microfinance loans

the maximum loan instalment that a borrower needs to pay cannot exceed ₹1.5 lakh per year. RBI also said that there would be no prepayment penalty on microfinance loans.

"Besides creating a level playing field, the framework will address issues of

closer to our financial inclusion goal," he said.

RBI has also given a breather to NBFC-MFIs by reducing the minimum requirement of microfinance loans of total loan assets to 75% from 85% earlier, in sync with the harmonization of

Publication	The Financial Express
Edition	National
Date	March 15, 2022
Page No.	1,13

URL: <https://www.financialexpress.com/industry/banking-finance/rbi-drops-pricing-caps-on-micro-loans-change-in-definition-of-microfinance/2460889/>

CHANGE IN MICROFINANCE DEFINITION

RBI drops interest rate ceiling on micro loans

Industry says new norms to safeguard interests of borrowers, deepen micro credit reach

SHRITAMA BOSE & MITHUN DASGUPTA
Mumbai/Kolkata, March 14

THE RESERVE BANK of India (RBI) on Monday released a revised framework for micro-finance loans, putting an end to regulated interest rates in the segment and harmonising micro-lending norms across banks and non-bank lenders.

The regulator also standardised the definition of micro-finance loans, stating that all collateral-free loans, irrespective of end use and mode of application, processing and disbursement, provided to households with an annual income up to ₹3 lakh shall be considered as micro-finance loans. The latest framework is based on a consultation paper released by the RBI in June 2021.

Microfinance lenders shall now have to put in place a board-approved policy regarding pricing of loans which shall cover, among other things, a well-documented interest rate

All collateral-free loans to households with annual income up to ₹3 lakh to be micro loans

Monthly loan obligations of a household to not exceed 50% of the monthly household income

Lenders must define board-approved policies regarding pricing of micro loans

Minimum requirement of micro loans stands revised to 75% of total assets from 85% earlier

Put in well-documented interest rate model to arrive at interest rate

Outsourcing of any activity by lenders does not diminish their obligations



model or approach for arriving at the all-inclusive interest rate. The new framework states that the monthly loan obligations of a household shall not exceed 50% of their monthly household income. Each lender will now be required to have a board-approved policy regarding the limit on the outflows towards debt repayment as a share of monthly household income.

Chandra Shekhar Ghosh, MD & CEO, Bandhan Bank, said the new norms will help

deepen the penetration of micro credit in India by encouraging competition. "The latest guidelines are a strong reflection of the maturity that the microcredit industry has reached in India; and it will help harmonise the regulatory framework for different types of lenders, encourage healthy competition and enable customers to make an informed choice regarding their credit needs," he said.

Continued on Page 13

FROM THE FRONT PAGE

RBI drops interest rate ceiling on micro loans

Manoj Kumar Nambiar, MD, Arohan Financial Services, said that the decision to apply the rule of a 50% fixed obligation to income ratio uniformly to all categories of borrowers will reduce the pressure on them, and lead to lower delinquencies and provisions for the industry. NBFC-MFIs account for about 31% of the outstanding micro-finance portfolio in the country. Many of them have for long held banks responsible for lending excessively to bottom-of-the-pyramid borrowers and thereby, reducing their ability to repay all their lenders.

NBFC-MFIs will now be allowed to have non-microfinance loans account for 25% of their portfolios, against 15% earlier. This will enable them to diversify their loan portfolios, industry executives said. Udaya Kumar Hebbar, MD & CEO, CreditAccess Grameen, said, "Increasing the qualifying asset limit to a maximum of 25% will

allow institutions to achieve a more balanced lending portfolio, reduce the cyclicality and volatility impact on the balance sheet, and strengthen the ability of institutions to weather any external risks."

Alok Misra, CEO & director at industry association MFIN, said that besides creating a level-playing field, the framework will address issues of over-indebtedness and multiple lending which were major concerns for the sector. "Revision of household income is a very progressive move with far-reaching implications as more needy, low-income households will now come into the purview of accessible credit, taking us closer to our financial inclusion goal," he said.

Lenders will be barred from charging pre-payment penalties on microfinance loans. Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount, the master directions said.

"The guidelines are path-breaking and mark a paradigm shift in the way the micro-finance business is done," Nambiar said, adding, "The credit

harmonisation guidelines between all micro lenders – banks and NBFCs – is an important step. Being allowed to charge preferential rates will allow us to offer better pricing to our better customers," Nambiar expects the new measures to help the industry shake off the impact of the pandemic and to treble its ₹2.45-trillion portfolio over the next four-five years.

The norms lay down specific pointers with regard to recovery of loans and place the onus of complying with them squarely on the lender, even with respect to outsourced activities. Recoveries shall be made at a designated place decided mutually by the borrower and the lender. However, field staff shall be allowed to make recoveries at the place of residence or work of the borrower if the borrower fails to appear at the designated place on two or more successive occasions. The framework specifically prohibits the harsh recovery practice, including the use of threatening or abusive language and calling the borrower before 9:00 a.m. and after 6:00 p.m.

The framework states that 'not-for-profit' companies

engaged in microfinance activities that have an asset size of ₹100 crore and above must register as NBFC-MFIs and send in applications for the same within three months from the date of the circular. K Paul Thomas, MD & CEO, ESAF Small Finance Bank said, "Bringing ₹100 crore-plus not-for-profit companies on par with other players will bridge the regulatory gaps." With this move, the RBI has taken a holistic approach to regulate the sector irrespective of legal status or mode of operations, he added. According to Kuldip Maity, MD & CEO, Village Financial Services (VFS), the common regulatory framework creates a level-playing field and now both borrowers and lenders will have options. It will also improve lending in the sector as well as safeguard the interests of the borrowers. "Revision in the household income is another important move, which will allow MFIs to cater to more needy borrowers. We also welcome the move to relax the Qualifying Assets Criteria to 75% from 85% earlier. This will allow MFIs to diversify their portfolio," Maity added.

Publication	The Times of India
Edition	National
Date	March 15, 2022
Page No.	16

URL: <https://timesofindia.indiatimes.com/business/india-business/rbi-liberalises-norms-for-microfin-industry/articleshow/90212811.cms>

RBI liberalises norms for microfin industry

Makes Them Uniform Across Lenders, Removes Ceiling On Interest Rates

TIMES NEWS NETWORK

Mumbai: The RBI on Monday revamped its norms for microfinance, making them uniform across lenders, removing the ceiling on interest rates and hiking the cap on family income for MFI loans.

According to an RBI circular, any collateral-free loan given to a household with an annual income of up to Rs 3 lakh is an MFI (microfinance institution) loan. The circular also allows the lender to put in place a board-approved policy for pricing of the loans as long as they were not usurious. In the past, the central bank had linked lending to costs.

The norms said that lenders could not have a lien on deposit account for loans disbursed and boards could approve the policy for flexibility in repayment frequency and income assessment. Lenders cannot provide loans where the loan repayment is at 50% of

monthly household income or more. If there are any existing loans where the outgo is above 50%, the loans will be allowed to mature. The RBI also does away with the limit on processing fees and interest removed.

New guidelines to help grow reach of microfinance, boost competition

“The harmonised regulations will usher in a new beginning for the microfinance sector where a common regulatory framework will apply to all regulated entities (REs) of the RBI. Besides creating a level playing field, the framework will address issues of over-indebtedness and multiple lending which were of paramount concerns for the sector,” said Alok Misra, CEO & director, MFIN, an association of micro lenders.

According to Udaya Kumar Hebbar, CEO at Credi-

tAccess Grameen, the new regulations will pave the way for increased competitiveness. “The revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting. This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid,” he said.

C S Ghosh, MD & CEO of Bandhan Bank, which was originally a microlender said that the guidelines will deepen the penetration of microfinance in India. “The latest guidelines are a strong reflection of the maturity that the microcredit industry has reached in India; and it will help harmonise the regulatory framework for different types of lenders, encourage healthy competition and enable customers to make an informed choice regarding their credit needs,” said Ghosh.

Publication	The Hindu
Edition	National
Date	March 15, 2022
Page No.	1,9

URL: <https://www.thehindu.com/news/national/microfinance-lenders-should-not-charge-usurious-rates-of-interest-rbi-says-in-revised-norms-for-the-sector/article65224515.ece>

RBI eases norms for microfinance firms

Central bank removes ceiling on interest rates, but urges against usurious levies

SPECIAL CORRESPONDENT
MUMBAI

The Reserve Bank of India (RBI) on Monday allowed microfinance institutions the freedom to set interest rates they charge borrowers, with a caveat that the rates should not be usurious.

In revised guidelines for microfinance loans, which will take effect on April 1, the RBI tweaked the definition of a microfinance loan to indicate a collateral-free loan given to a household having annual income of up to ₹3 lakh. Earlier, the upper li-



Interest rates will be subject to RBI's supervisory scrutiny. • GETTY IMAGES

mits were ₹1.2 lakh for rural borrowers and ₹2 lakh for urban borrowers.

As per the revised norms, regulated entities (REs)

should put in place a Board-approved policy regarding pricing of microfinance loans, a ceiling on interest rate and all other charges applicable to microfinance loans.

"The revision of the income cap to ₹3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting, said Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen Ltd.

"This reflects the confidence shown by the central

bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," he said.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," the RBI said in its master direction. Earlier, the cap on the interest rate was the lower of average cost of borrowing multiplied by 2.75; or cost of funds plus 10%, according to industry executives.

CONTINUED ON ► PAGE 9

RBI eases norms for microfinance firms

Each RE shall disclose pricing-related information to a prospective borrower in a standardised, simplified factsheet, the RBI said.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/ agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

There shall be no pre-payment penalty on microfinance loans. Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount, the regulator said.

Any change in interest rate or any other charge shall be informed to the borrower well in advance and these changes shall be effective only prospectively, it said.

The RBI said each RE would have to put in place a mechanism for identification of the borrowers facing repayment-related difficulties, engagement with such

borrowers and providing them necessary guidance about the recourse available.

"The REs shall have a due diligence process in place for engagement of recovery agents, which shall, inter alia, cover individuals involved in the recovery process," it said.

Details of agents

To ensure due notice and appropriate authorisation, the RE will provide the details of recovery agents to the borrower while initiating the process of recovery.

As per the new norms the minimum requirement of microfinance loans for NBFC-MFIs stands revised to 75% of the total assets.

Alok Misra, CEO & Director, MFIN, the association of microfinance entities said, "Extremely comprehensive, the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all regulated entities of the RBI."

Publication	The Pioneer
Edition	National
Date	March 15, 2022
Page No.	10

URL: <https://www.dailypioneer.com/2022/business/rbi-allows-mfis-to-fix-interest-rates.html>

RBI allows MFIs to fix interest rates

PTI ■ MUMBAI

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers. A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet. "Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income. "This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Publication	The Telegraph
Edition	National
Date	March 15, 2022
Page No.	6

URL: <https://www.telegraphindia.com/business/no-rate-cap-on-microfin-loans/cid/1856047>

No rate cap on microfin loans

OUR SPECIAL CORRESPONDENT

Mumbai: The RBI has made more individuals eligible for micro-finance loans, while removing the cap on interest rates on such loans.

In its regulatory framework for the microfinance sector, the RBI said the annual household income level will be Rs 3 lakh to get a loan against the previous limit of Rs 1.25 lakh income for rural households and Rs 2 lakh for semi-urban and urban households.

Besides, the monthly loan obligations of a household as a percentage of its income should be a maximum 50 per cent. A household comprises an individual family unit — husband, wife and their unmarried children.

RBI RULES

- Loans on income up to Rs 3 lakh per annum
- No interest cap on loans
- Debt of individuals cannot exceed 50% of income
- All loan information and costs should be clearly given in writing

The outflows should include repayments — both the principal as well as the interest component — towards all existing loans as well as the loans under consideration.

If existing loans exceed 50 per cent, they will have to mature. No new loans shall be given till the obligation level reaches 50 per cent.

The RBI also removed pricing caps on the microfinance loans. Previously, there were limits set on the maximum interest rate that a microfinance lender could charge on loans.

However, the RBI said that the lenders cannot charge usurious rate of interest. “Interest rates and other charges/fees on microfinance loans should not be usurious. These shall be subject to supervisory scrutiny by RBI,” the framework said.

The lender will have to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

The regulations also said that there should be no prepayment penalty on the loans.

“The latest guidelines are a strong reflection of the matu-

urity that the microcredit industry has reached in India. It will help harmonise the regulatory framework for different types of lenders, encourage healthy competition and enable customers to make an informed choice,” Chandra Shekhar Ghosh, MD and CEO, Bandhan Bank said.

“Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector,” said Alok Misra, CEO of Microfinance Institutions Network.

“Revision in the household income will allow MFIs to cater to more needy borrowers,” said Kuldip Maity, managing directors and chief executive officer of Village Financial Services.

Publication	The Statesman
Edition	National
Date	March 15, 2022
Page No.	8

Microfinance lenders can't charge usurious interest rate: RBI

SNS & AGENCIES
KOLKATA, 14 MARCH

Microfinance lenders cannot charge usurious rate of interest from borrowers, the Reserve Bank said today, and also asked them to put in place a ceiling on pricing of loans and related fees.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Issuing "Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022", the RBI said all regulated entities (REs) should put in place a board-approved policy regarding pricing of microfinance loans, covering a ceiling on the interest rate and all other charges applicable to microfinance loans.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," the framework said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

Also, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly house-



hold income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

Commenting on the development, Alok Misra, chief executive officer & director, MFIN, the association for microfinance entities, said: "Extremely comprehensive, the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all regulated entities (REs) of the RBI."

Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector, he said.

More importantly, the Reserve Bank of India has taken a prudent view of the bottlenecks that presented in credit delivery, addressing each of them. Revision of household income is a very progressive move with far reaching implications as more needy, low-income households will now come into the purview of accessible credit, taking us closer to our financial inclusion goal, he added.

Publication	Millennium Post
Edition	National
Date	March 15, 2022
Page No.	10

URL: <http://www.millenniumpost.in/business/microfinance-lenders-cannot-charge-usurious-interest-rate-rbi-471192>

Microfinance lenders cannot charge usurious interest rate: RBI

MUMBAI: The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-

approved policy regarding pricing of microfinance loans, said the 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected

to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly men-

tioned in the factsheet," it added.

The directions will come into force from April 1. Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE

should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said. There should also be a standard form of loan agreement for microfinance loans

in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands

revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

AGENCIES

Publication	Morning India
Edition	National
Date	March 15, 2022
Page No.	11

RBI allows MFIs to fix interest rates

MUMBAI : The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related infor-

mation to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans. "Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said. Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income. "This shall be subject to a limit of maximum 50 per

cent of the monthly household income," it said. There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent. MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.



Publication	Maharashtra Times
Edition	Mumbai
Date	March 15, 2022
Page No.	9

भरमसाट व्याज लावू नका

रिझर्व बँकेने सूक्ष्मवित्त संस्थांना बजावले; निश्चित नियमावली करण्याची सूचना

वृत्तसंस्था, मुंबई

सूक्ष्मवित्त संस्थांकडून कर्ज घेतल्यास बऱ्याचदा या संस्था जबर व्याज आकारतात, असा ऋणकोणा अनुभव येतो. यापुढे मात्र असे होणार नाही. सूक्ष्मवित्त संस्थांनी (मायक्रोफायनान्स कंपन्या) भरमसाट व्याज आकारणी करू नये, असे रिझर्व बँकेने स्पष्ट केले आहे. याखेरीज, या वित्तसंस्थांनी कर्ज देताना व दिल्यानंतरची प्रक्रिया पूर्ण करण्यासाठी तसेच अन्य प्रकारचे शुल्क आकारताना ते विशिष्ट मर्यादितच आकारावे, असेही सांगितले आहे. यासंदर्भात रिझर्व बँकेने मार्गदर्शक तत्वे सोमवारी जारी केली.

'रिझर्व बँक ऑफ इंडिया (रेग्युलेटरी फ्रेमवर्क फॉर मायक्रोफायनान्स लोन्स) डायरेक्शन्स, २०२२' असे या मार्गदर्शक तत्वांना नाव देण्यात आले असून यामध्ये सूक्ष्मवित्त संस्थांच्या आतापर्यंतच्या स्वर व्याज आकारणीची गंभीर दखल घेण्यात आली आहे. ही मार्गदर्शक तत्वे प्रत्येक नियंत्रित सूक्ष्मवित्त संस्थेने

'एमफिन'कडून स्वागत



प्रतीक्षा संपली असल्याचे सांगत एमफिनचे सीईओ व संचालक डॉ. आलोक मिश्रा म्हणाले, कुटुंबाच्या उत्पन्नाचा घेतलेला आढावा कर्ज वितरणासाठी अत्यंत उपयुक्त ठरणार आहे.

आपापल्या संचालक मंडळात मान्य करून घ्यावीत, असेही रिझर्व बँकेने सांगितले आहे.

घेतलेल्या कर्जांचे नेमके हप्ते किती असावेत यासाठी निश्चित नियम असावेत, याकडे रिझर्व बँकेने लक्ष वेधले आहे. त्याचप्रमाणे हे नियम संबंधित सूक्ष्मवित्त संस्थेने तिच्या

सूक्ष्मवित्त संस्थांच्या कर्जवितरणात शिस्त लावण्याचे रिझर्व बँकेने मनावर घेतले आहे. याचे सूक्ष्मवित्त संस्थांची मध्यवर्ती संस्था असलेल्या मायक्रोफायनान्स इन्स्टिट्यूशन्स नेटवर्क अर्थात एमफिन या संघटनेने स्वागत केले आहे. रिझर्व बँकेने जारी केलेल्या मार्गदर्शक तत्वांमुळे यासाठीची

संचालक मंडळाच्या बैठकीत बहुमताने मंजूर करून घेणे गरजेचे आहे. असा हप्ता निश्चित करताना तो त्या कुटुंबांच्या एकूण मासिक उत्पन्नाच्या ५० टक्क्यांपेक्षा अधिक असू नये, याकडेही रिझर्व बँकेने लक्ष वेधले आहे. कोणत्याही सूक्ष्मवित्त संस्थेने आपल्या क्षमतेपलिकडे जात मोठ्या

रिझर्व बँक म्हणते...

- सूक्ष्मकर्जांवरील व्याजदर, अन्य शुल्क सर्वसामान्यांच्या आवाक्याबाहेरील नकोत
- सूक्ष्मकर्जांवरील व्याजदर यापुढे रिझर्व बँकेच्या पर्यवेक्षकीय तपासांतर्गत येईल.
- प्रत्येक नियंत्रित सूक्ष्मवित्त संस्थेने कर्ज घेण्यास इच्छुक ग्राहकाला सर्व प्रकारच्या शुल्कांची सविस्तर माहिती द्यावी.
- कर्जदर, शुल्क यांची माहिती तक्त्याच्या स्वरूपात, समजण्यास सोप्या भाषेत असावी.
- कर्ज देताना त्यासाठी नियंत्रित सूक्ष्मवित्त संस्थेकडून किंवा तिच्या प्रतिनिधीकडून घेतले जाणारे शुल्क कर्जेच्छु ग्राहकाला ठळकपणे दिसेल असा पद्धतीने तक्त्यात मांडलेले असावे.
- एखाद्या ऋणकोने मुदतीपूर्वी कर्ज फेडल्यास त्यासाठी कोणतेही दंडात्मक शुल्क आकारले जाऊ नये.
- कर्जाचा एखादा हप्ता भरायला ऋणकोला उशीर झाल्यास त्यासाठी दंड आकारताना तो केवळ थकित हप्त्यावरच आकारला जावा; संपूर्ण कर्जावर आकारण्यास येऊ नये.

रकमेच्या कर्जांचे वितरण करू नये. संस्थेच्या एकूण मत्तांच्या २५ टक्के त्यासाठी ही मर्यादा आता सूक्ष्मवित्त करण्यात आली आहे.

Publication	Ananda Bazar Patrika
Edition	West Bengal
Date	March 15, 2022
Page No.	9

URL: <https://www.anandabazar.com/business/people-who-earns-less-than-3-lakhs-per-annum-are-now-eligible-to-claim-minor-loan-said-reserve-bank-of-india/cid/1333672>

ক্ষুদ্র ঋণের বৃত্তে আরও বেশি মানুষ

নিজস্ব সংবাদদাতা

যে সমস্ত পরিবারের বাৎসরিক আয় ৩ লক্ষ টাকার মধ্যে, তারাও এখন থেকে ক্ষুদ্র ঋণের সুবিধা পাবে। আগে গ্রামীণ ক্ষেত্রে ১.৫ লক্ষ টাকা এবং শহরাঞ্চলে তা ১.৬০ লক্ষ টাকা ছিল। ক্ষুদ্র ঋণ শিল্পের ক্ষেত্রে সোমবার একগুচ্ছ নিয়ম বদলের নির্দেশিকা জারি করেছে রিজার্ভ ব্যাঙ্ক। এর ফলে আরও বহু মানুষ এই ক্ষেত্রের আওতায় চলে আসবেন বলে মনে করা হচ্ছে।

এ দিনের নির্দেশিকায় ঋণের সুদের ঊর্ধ্বসীমার বাধ্যবাধকতা তুলে নেওয়া হয়েছে। ক্ষুদ্র ঋণ সংস্থা ভিলেজ ফিন্যান্সিয়াল সার্ভিসেসের ম্যানেজিং ডিরেক্টর কুলদীপ মাইতি বলেন, “এখন থেকে ব্যাঙ্কের মতো গ্রাহকের ঋণ পরিশোধের ইতিহাস দেখে সুদের হার ঠিক করতে পারবে ক্ষুদ্র ঋণ সংস্থাগুলি। এর ফলে যাঁরা নিয়মিত ঋণ পরিশোধ করেন, তাঁরা তুলানামূলক ভাবে কম সুদে ঋণ পাবেন।” এখন ওই হার মোটামুটি ২১ শতাংশের কাছাকাছি। এর পাশাপাশি ঋণের ক্ষেত্রগুলিকেও প্রসারিত করা হয়েছে। আগে শুধু আয়ের রাস্তা তৈরির জন্যই ক্ষুদ্র ঋণ পাওয়া যেত। এখন থেকে শিক্ষা, বাড়ি মেরামত, নতুন বা পুরনো দু'চাকার গাড়ি কেনা-সহ বিভিন্ন কারণেও ঋণ নিতে পারবেন গ্রাহকেরা।

রিজার্ভ ব্যাঙ্কের নতুন পদক্ষেপ ক্ষুদ্র ঋণ ব্যবসা সম্প্রসারণের ক্ষেত্রে সহায়ক হবে বলে মনে করেন বঙ্কন ব্যাঙ্কের এমডি-সিইও চন্দ্রশেখর বোষ। তিনি বলেন, “আগের থেকে এখন অনেক বেশি মানুষ ক্ষুদ্র ঋণ নেওয়ার সুযোগ পাবেন।” অ্যাসোসিয়েশন অব মাইক্রো ফিন্যান্স ইনস্টিটিউশনসের সিইও অলোক মিশ্রের কথায়, “ক্ষুদ্র ঋণ শিল্পের সামনে নতুন সুযোগ খুলে গেল। রিজার্ভ ব্যাঙ্কের আওতায় থাকা সমস্ত আর্থিক প্রতিষ্ঠানও একই নিয়মের ছাতার তলায় এল।”

Publication	Bartaman
Edition	West Bengal
Date	March 15, 2022
Page No.	6

URL: <https://bartamanpatrika.com/home?cid=13&id=355334>

ক্ষুদ্র ঋণের নয়া নিয়মে মিলতে পারে সুদের সুবিধা, বলছে বিশেষজ্ঞ মহল

নিজস্ব প্রতিনিধি, কলকাতা: ক্ষুদ্র ঋণের ক্ষেত্রে বেশকিছু নিয়মে বদল আনল রিজার্ভ ব্যাঙ্ক অব ইন্ডিয়া। তাতে সাধারণ মানুষ ও ঋণদানকারী সংস্থা—দু’টি ক্ষেত্রই লাভবান হবে বলে মনে করা হচ্ছে। প্রসঙ্গত, ক্ষুদ্র ঋণ হল এমন ঋণ, যেখানে কম রোজগারের লোকজন কোনও বন্ধক ছাড়াই আর্থিক প্রতিষ্ঠান থেকে টাকা ধার পান।

নতুন যে নিয়ম চালু হতে চলেছে, সেখানে ঋণের সুদে সবচেয়ে বেশি সুবিধা পাবেন গ্রাহক, এমনটাই বলছেন বিশেষজ্ঞরা। তাঁদের কথায়, এতদিন রিজার্ভ ব্যাঙ্ক ঠিক করে দিত, সংস্থাগুলি সর্বোচ্চ কত হারে গ্রাহকের কাছ থেকে সুদ দিতে পারবে। এখন থেকে সংস্থাগুলি নিজেরাই ঠিক করবে সুদের হার। তাদের মূলধন জোটানোর খরচ, সংস্থার ভৌগোলিক অবস্থান, ব্যবসা চালানোর খরচ ও ঝুঁকির অঙ্ক কষে তারা সুদের হার নির্ধারণ করবে। তবে পুরোটা জানাতে হবে আরবিআইকে। এর ফলে প্রতিযোগিতার বাজারে তুলনামূলক কম সুদে ঋণ পাওয়ার সুযোগ থাকবে।

গ্রাহকের লাভ

- এতদিন গ্রামে বার্ষিক ১ লক্ষ ২০ হাজার টাকা পর্যন্ত আয় থাকলে ক্ষুদ্র ঋণের সুবিধা মিলত। শহরে সেই সীমা ছিল ১ লক্ষ ৬০ হাজার টাকা। এখন থেকে গ্রাম ও শহর নির্বিশেষে সীমারেখা বেঁধে দেওয়া হল ৩ লক্ষ টাকা। ফলে বহু মানুষ কোনও কিছু বন্ধক ছাড়াই (কোল্যাটেরাল ফ্রি) এই ঋণের সুযোগ নিতে পারবেন।
- এতদিন ক্ষুদ্র ঋণ নিতে গেলে আয় বা ব্যবসার বিষয়ে কিছু বাধ্যবাধকতা ছিল। এখন নিয়ম শিথিল হওয়ায় ঋণের সুযোগ বাড়বে।
- সর্বোচ্চ সুদের হার কত হবে, তা রিজার্ভ ব্যাঙ্ক ঠিক করে দিত। এখন থেকে তা আর হবে না। ঋণদানকারী সংস্থাগুলি নিজেরাই সুদের হার ঠিক করতে পারবে। প্রতিযোগিতার বাজারে তা সুবিধা করে দেবে গ্রাহককে।
- ঋণ দেওয়ার জন্য প্রেসেসিং ফি বাবদ যা খুশি টাকা নেওয়া যাবে না।

ঋণ দানকারী সংস্থার লাভ

- যেহেতু ঋণের ঝুঁকির উপর নির্ভর করে সুদের হার নির্ণয় করার স্বাধীনতা থাকছে, তাই হরেক রকমের ঋণ প্রকল্প বাজারে আনতে পারবে সংস্থাগুলি।
- যেহেতু তিন লক্ষ টাকা পর্যন্ত আয়ে ক্ষুদ্র ঋণ দেওয়া যাবে, তাতে নিম্ন মধ্যবিত্তদের একটা বড় অংশকে ঋণের সুযোগ করে দেওয়া যাবে। তাতে ব্যবসা বাড়বে।

ক্ষুদ্র ঋণ প্রদানকারী সংস্থাগুলির কথায়, সব সংস্থাগুলিকে একই সর্বভারতীয় সংগঠন অ্যামফিনের নিয়মের আওতায় আনার দাবি ছিল

দীর্ঘদিনের। সেই কাজটিই করেছে আরবিআই। এতে প্রতিটি সংস্থারই ব্যবসা করার সমান্তরাল জমি পাবে। বন্ধন ব্যাঙ্কের এমডি ও সিইও চন্দ্রশেখর ঘোষ ও বলেন, ক্ষুদ্র ঋণ প্রদানে অংশ নেয় হরেক ধরনের সংস্থা। তাদের নিয়মও আলাদা আলাদা ছিল। এখন সবই একই নিয়মের আওতায় আসায় সুস্থ প্রতিযোগিতা সম্ভব হবে। গ্রাহকরাও নিজের পছন্দ মতো ঋণ নেওয়ার সুযোগ পাবেন। ভিলেজ ফিন্যান্সিয়াল সার্ভিসেস-এর এমডি ও সিইও কুলদীপ মাইতি বলেন, বহু মানুষ এখন এই ঋণের আওতায় আসতে পারবেন। আমরাও নানা ধরনের ঋণ প্রকল্প বাজারে আনতে পারব ঝুঁকির উপর নির্ভর করে। অর্থাৎ ব্যাঙ্কগুলি যেভাবে একই ঋণ প্রকল্পের জন্য একাধিক সুদের হার ঘোষণা করতে পারে, তেমনই সুযোগ থাকবে মাইক্রো ফিন্যান্স সংস্থাগুলির কাছেও। ঋণ নেওয়ার ক্ষেত্রেও গ্রাহকের জন্য কিছু নিয়ম শিথিল করা হয়েছে। ফলে, শুধু ব্যবসা ছাড়াও যাঁদের অন্য কোনও প্রয়োজন আছে, তাঁরাও ঋণ নেওয়ার সুযোগ পাবেন।

Publication	Ei-Samay
Edition	West Bengal
Date	March 15, 2022
Page No.	4

ক্ষুদ্রঋণের পরিধি বাড়াতে দেশে নিয়ম শিথিল শীর্ষ ব্যাকের

এই সময়: নন-ব্যাঙ্কিং ফিন্যান্সিয়াল ইনস্টিটিউশন (এনবিএফসি) এবং ক্ষুদ্রঋণ প্রদানকারী সংস্থাগুলির দেওয়া ঋণের উপর সুদের হারের বেঁধে দেওয়া মাত্রা তুলে নিল ভারতীয় রিজার্ভ ব্যাঙ্ক (আরবিআই)। দেশের বাণিজ্যিক ব্যাঙ্ক সমেত যে সমস্ত আর্থিক প্রতিষ্ঠান ক্ষুদ্রঋণ দিয়ে থাকে তাদের সঙ্গে এক সারিতে এনবিএফসি এবং ক্ষুদ্রঋণ প্রদানকারী সংস্থাগুলিকে অন্তর্ভুক্ত করে কেন্দ্রীয় ব্যাঙ্কটির এই উদ্যোগ।

এই পদক্ষেপ প্রত্যাশিত থাকলেও সোমবার সবাইকে অবাক করে দিয়ে ক্ষুদ্রঋণ পাওয়ার যোগ্যতা অর্জনের জন্য দেশের পরিবারগুলির বার্ষিক আয়ের পরিমাণ বাড়িয়ে ৩ লক্ষ টাকা করেছে আরবিআই। এর আগে ক্ষুদ্রঋণ পাওয়ার উপযোগী হতে গেলে গ্রামাঞ্চলে পরিবারগুলির বার্ষিক আয়

উঠল সুদের হারের সীমা

১.২৫ লক্ষ টাকা এবং শহরাঞ্চল ও মফস্বল এলাকায় পরিবারগুলির বার্ষিক আয়ের পরিমাণ ২ লক্ষ টাকা ধরা হত। আরবিআই-এর এই সিদ্ধান্তের ফলে আরও বেশি সংখ্যক পরিবার যেমন ক্ষুদ্রঋণের সুবিধা পাবে, ঠিক তেমনি এনবিএফসি এবং ক্ষুদ্রঋণ প্রদানকারী সংস্থাগুলিও অনেক বেশি গ্রাহক পাবে।

কেন্দ্রীয় ব্যাঙ্কটির এই পদক্ষেপের ফলে অন্যান্য নন-ব্যাঙ্কিং ফিন্যান্সিয়াল সংস্থাগুলির দেওয়া ঋণ ক্ষুদ্রঋণ হিসাবে গণ্য হবে বলে বিশেষজ্ঞরা জানিয়েছেন। এ ধরনের যাবতীয় বন্ধকহীন ঋণ, তা যে কাজেই ব্যবহার করা হোক না কেন, ক্ষুদ্রঋণ হিসাবে ধরা হবে।

ঋণগ্রহীতাদের অব্যাহতি দেনার কবলে না পড়া থেকে আটকাতে নিয়ামক সংস্থাটি প্রতিটি গ্রাহকের জন্য ঋণ পরিশোধের মাসিক মাত্রা বেঁধে দিয়েছে। ঋণ পরিশোধের ক্ষেত্রে তার অঙ্ক যেন সংশ্লিষ্ট পরিবারের মাসিক আয়ের ৫০ শতাংশ অতিক্রম না করে

তা জানিয়ে দিয়েছে আরবিআই। এর পাশাপাশি সংশ্লিষ্ট গ্রাহকের ডিপোজিট অ্যাকাউন্টের সঙ্গে ঋণের অ্যাকাউন্ট যোগ করা যাবে না সেই নির্দেশও দেওয়া হয়েছে। ক্ষুদ্রঋণ আগাম পরিশোধের ক্ষেত্রে সংশ্লিষ্ট গ্রাহককে কোনও জরিমানা দিতে হবে না।

মাইক্রোফিন্যান্স ইনস্টিটিউশনস নেটওয়ার্কের চিফ এগজিকিউটিভ অশোক মিশ্রের কথায়, 'একই ধরনের নিয়ম প্রত্যেকের জন্য চালু হলে ক্ষুদ্রঋণগ্রহীতাদের অতিরিক্ত দায়বদ্ধতা কমবে।' ক্ষুদ্রঋণ প্রদানকারী সংস্থার পরিচালন পর্ষদ সুদের হার নির্ধারণ করতে পারলেও তা যেন লাগামহীন না হয় তা ঋণগ্রহীতাদের আয় থেকে আরবিআই।

কেন্দ্রীয় ব্যাঙ্কের এই সিদ্ধান্তকে স্বাগত জানিয়ে ভিলেজ ফিন্যান্সিয়াল সার্ভিসেসের ম্যানেজিং ডিরেক্টর ও সিইও কুলদীপ মাইতি বলেন, 'ক্ষুদ্রঋণ ক্ষেত্রের পক্ষে এক নতুন যুগের সূচনা হতে চলেছে। এর ফলে ক্ষুদ্রঋণ সংস্থাগুলি দেশের বাণিজ্যিক ব্যাঙ্ক সহ অন্যান্য ক্ষুদ্রঋণ প্রদানকারীদের সঙ্গে সমানে টকর দেওয়ার সুযোগ পাবে। এর ফলে ক্ষুদ্রঋণ দেওয়া যেমন বাড়বে, তেমনি ঋণদাতা এবং গ্রহীতার স্বার্থ সুরক্ষিত হবে।'

বন্ধন ব্যাঙ্কের এমডি ও সিইও চন্দ্রশেখর ঘোষের দাবি, 'রিজার্ভ ব্যাঙ্কের এই সিদ্ধান্তকে আমি স্বাগত জানাচ্ছি। কেন্দ্রের এই সিদ্ধান্তের ফলে দেশে ক্ষুদ্রঋণ দেওয়ার পরিমাণ আরও বাড়বে।'

সুদের হারের মাত্রা তুলে দেওয়ার ফলে এনবিএফসি-এমএফআইগুলি ঝুঁকি নিতে পারবে বলেই মনে করেন মুথুট মাইক্রোফিন্যান্স চিফ এগজিকিউটিভ সরাফ সদ্দীদ। আগে কোনও আর্থিক প্রতিষ্ঠানের দেওয়া মোট ঋণের ৮৫ শতাংশ ক্ষুদ্রঋণ হওয়া আবশ্যিক থাকলেও এ দিন তা কমিয়ে ৭৫ শতাংশ করা হয়েছে। আরবিআই-এর এই সিদ্ধান্তকেও স্বাগত জানিয়েছে এনবিএফসি-এমএফআইগুলি।

Publication	Economic Times Hindi
Edition	Online
Date	March 14, 2022

URL: <https://economictimes.indiatimes.com/hindi/business-news/rbi-allows-microfinance-institutions-to-fix-interest-rates-on-their-own-with-certain-conditions/articleshow/90207942.cms>

ET THE ECONOMIC TIMES

रिजर्व बैंक ने सूक्ष्म-वित्त संस्थानों को कुछ 'शर्तों' के साथ खुद ब्याज दर तय करने की अनुमति दी
डिसक्लेमर: यह आर्टिकल एजेंसी फीड से ऑटो-अपलोड हुआ है। इसे नवभारतटाइम्स.कॉम की टीम ने एडिट नहीं किया है।

भाषा | Updated: 14 Mar 2022, 8:41 pm

मुंबई, 14 मार्च (भाषा) भारतीय रिजर्व बैंक (आरबीआई) ने सूक्ष्म-वित्त ऋणदाता संस्थानों को ऋण की ब्याज दरें तय करने की अनुमति देने के साथ ही कहा है कि यह बहुत ज्यादा नहीं होना चाहिए। एक सूक्ष्म-वित्त ऋण का आशय तीन लाख रुपये तक की सालाना आय वाले परिवार को दिए जाने वाले गारंटी-मुक्त कर्ज से है। रिजर्व बैंक ने सूक्ष्म-वित्त ऋणों के संबंध में अपने निर्देशों का नियामकीय प्रारूप जारी करते हुए कहा कि सभी नियमित इकाइयों को निदेशक-मंडल की अनुमति वाली एक नीति लागू करनी चाहिए। इस नीति में सूक्ष्म-वित्त ऋण की कीमत, कवर, ब्याज दरों की अधिकतम सीमा

मुंबई, 14 मार्च (भाषा) भारतीय रिजर्व बैंक (आरबीआई) ने सूक्ष्म-वित्त ऋणदाता संस्थानों को ऋण की ब्याज दरें तय करने की अनुमति देने के साथ ही कहा है कि यह बहुत ज्यादा नहीं होना चाहिए। एक सूक्ष्म-वित्त ऋण का आशय तीन लाख रुपये तक की सालाना आय वाले परिवार को दिए जाने वाले गारंटी-मुक्त कर्ज से है।

रिजर्व बैंक ने सूक्ष्म-वित्त ऋणों के संबंध में अपने निर्देशों का नियामकीय प्रारूप जारी करते हुए कहा कि सभी नियमित इकाइयों को निदेशक-मंडल की अनुमति वाली एक नीति लागू करनी चाहिए। इस नीति में सूक्ष्म-वित्त ऋण की कीमत, कवर, ब्याज दरों की अधिकतम सीमा और सभी अन्य शुल्कों के बारे में स्पष्टता लाने की जरूरत है।

पहले आरबीआई खुद ही तिमाही आधार पर ब्याज दरों की घोषणा किया करता था। लेकिन अब ब्याज दर तय करने का अधिकार सूक्ष्म-वित्त संस्थानों को सौंपा जा रहा है।

नए प्रावधान एक अप्रैल 2022 से लागू हो जाएंगे।

सूक्ष्म-वित्त ऋण दिशानिर्देश संबंधी इस प्रारूप के मुताबिक, "इन कर्जों पर ब्याज दरें एवं अन्य शुल्क बहुत ऊंचे नहीं रखे जाने चाहिए। ये शुल्क एवं दरें रिजर्व बैंक की निगरानी के दायरे में होंगी।" उन्हें कर्ज से जुड़े शुल्क की एक सीमा भी तय करने को कहा गया है।

इसके साथ ही प्रत्येक नियमित इकाई को एक संभावित कर्जदार के बारे में कीमत-संबंधी जानकारी एक मानकीकृत सरल 'फैक्टशीट' के रूप में देनी होगी। इसके अलावा केंद्रीय बैंक ने यह भी कहा है कि कर्जदार अगर अपने कर्ज को समय से पहले चुकाना चाहता है, तो उस पर किसी तरह की जुर्माना नहीं लगाया जाए।

हालांकि, अगर किस्त के भुगतान में देरी होती है, तो सूक्ष्म-वित्त संस्थान ग्राहक पर जुर्माना लगा सकते हैं लेकिन वह भी बकाया राशि पर ही लगाया जाएगा, समूची कर्ज राशि पर नहीं।

रिजर्व बैंक ने कहा कि किसी सूक्ष्म-वित्त कर्ज की अदायगी के संदर्भ में कर्जदार की मासिक आय की अधिकतम 50 प्रतिशत राशि ही पुनर्भुगतान की सीमा बनाई जा सकती है। इसके अलावा कर्ज संबंधी समझौता कर्ज ले रहे व्यक्ति को समझ में आने वाली भाषा में तैयार करने का भी प्रावधान किया गया है।

पुराने दिशानिर्देशों के तहत सूक्ष्म-वित्त संस्थान की अर्हता नहीं रखने वाली गैर-बैंकिंग वित्तीय कंपनी (एनबीएफसी) अपनी कुल परिसंपत्ति के 10 फीसदी से अधिक सूक्ष्म-वित्त कर्ज नहीं दे सकती थीं। लेकिन अब इसकी अधिकतम सीमा को बढ़ाकर 25 प्रतिशत कर दिया गया है।

सूक्ष्म-वित्त संस्थानों के संगठन एमएफआईएन के निदेशक आलोक मिश्रा ने आरबीआई के नए निर्देशों का स्वागत करते हुए कहा कि इससे न केवल ऋण कारोबार में समान अवसर मिलेंगे बल्कि ज्यादा कर्ज में डूबने और कई कर्ज देने की समस्या से भी निपटने में मदद मिलेगी।

Publication	Business Standard
Edition	Online
Date	March 14, 2022

URL: https://www.business-standard.com/article/finance/mfis-welcome-rbi-s-regulatory-framework-for-microfinance-loans-122031401235_1.html

Business Standard

MFIs welcome RBI's regulatory framework for microfinance loans

Microfinance institutions and an MFI-turned lender hailed the RBI's Regulatory Framework on microfinance loans saying that these guidelines will further deepen penetration of micro-credit in country.

Topics

microfinance institutions | loans

Press Trust of India | Kolkata

Last Updated at March 14, 2022 20:38 IST

Microfinance institutions and an MFI-turned lender hailed the RBI's Regulatory Framework on microfinance loans announced on Monday saying that these guidelines will further deepen the penetration of micro-credit in the country.

The Reserve Bank of India (RBI) allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

The framework for microfinance loans announced by the RBI will further help deepen penetration of micro-credit in the country, MD & CEO of Bandhan Bank C S Ghosh said.

Bandhan Bank is a microfinance company that got a universal banking licence some years ago.

The latest guidelines are a strong reflection of the maturity of MFIs in the country and will go a long way in harmonising the regulatory framework for different types of lenders, encouraging healthy competition and enabling customers to make an informed choice regarding their credit needs, Ghosh added.

The new framework will help scale the industry further, ensure better risk mitigation and financial inclusion, he said.

MD & CEO of Village Financial Services Kuldip Maity said this is indeed a welcome step and mark the beginning of a new era of the MFI sector.

The common regulatory framework will create a level playing field and both borrowers and lenders will now have options. The new framework will safeguard the interests of the borrowers and help the sector to cater to the needy borrowers, he said.

CEO and Director of MFIN Alok Misra said the framework is comprehensive and it will usher a new beginning in the MFI industry.

He said RBI has taken prudent steps on credit delivery and low-income households will now have access to credit.

Sa-Dhan, an RBI-recognised self-regulatory organisation for microfinance institutions, also welcomed the Master Direction of the RBI on Regulatory Framework for Microfinance Loans.

Its Executive Director P Satish said, "Sa-Dhan is pleased with the newly released Master Direction of the RBI on Regulatory Framework for Microfinance Loans, as this lender agnostic comprehensive regulation will bring uniformity in the sector.

Publication	The Financial Express
Edition	Online
Date	March 14, 2022

URL: <https://www.financialexpress.com/industry/banking-finance/rbi-allows-microfinance-lenders-to-fix-interest-rates-on-loan/2460867/>

FINANCIAL EXPRESS Read to Lead

RBI allows microfinance lenders to fix interest rates on loan

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

Written by PTI March 14, 2022 7:59:30 pm

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company – microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	Business World
Edition	Online
Date	March 14, 2022

URL: <https://www.businessworld.in/article/RBI-s-Harmonised-Regulations-For-Microfinance-To-Usher-A-New-Era-For-Industry-MFIN/14-03-2022-422800/>

BW BUSINESSWORLD

RBI's Harmonised Regulations For Microfinance To Usher A New Era For Industry: MFIN

The RBI has also taken into consideration MFIN's plea to relax the 85 per cent qualifying asset criteria and now fixed it at 75 per cent of the net assets, which will allow NBFC-MFIs to diversify their portfolio and also provide larger loans to mature clients

14

March, 2022

by BW Online Bureau

MFIN, the association for microfinance entities, has welcomed the harmonised regulations for the sector announced by the Reserve Bank of India on Monday.

The harmonised regulations come subsequent to the consultative document released by the RBI in June 2021 which sought to review the applicable regulatory framework for microfinance activities undertaken by all REs of the RBI and address the concerns related to the over-indebtedness of microfinance borrowers, among others.

Alok Misra, CEO and Director, MFIN said, "Extremely comprehensive, the harmonized regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all Regulated Entities (REs) of the RBI. Besides creating a level playing field, the framework will address issues of overindebtedness and multiple lending which were of paramount concern for the sector. More importantly, the RBI has taken a prudent view of the bottlenecks that are presented in credit delivery, addressing each of them. Revision of household income is a very progressive move with far-reaching implications as needier, low-income households will now come into the purview of accessible credit, taking us closer to our financial inclusion goal. "

The RBI has also taken into consideration MFIN's plea to relax the 85 per cent qualifying asset criteria and now fixed it at 75 per cent of the net assets, which will allow NBFC-MFIs to diversify their portfolio and also provide larger loans to mature clients.

Moreover, the RBI has stipulated all REs to use a comprehensive credit bureau report in lending decisions as well as elucidated on transparent pricing and fair practices, keeping the client centricity as a key principle of microfinance.

The RBI has also played an important role for the SRO to build a responsible microfinance ecosystem. Ever since becoming an SRO in 2014, MFIN has played a key role in building a sustainable and transparent industry through sustained efforts in building the credit bureau infrastructure for microfinance, developing industry standards, issuing advisories on customer protection and lending practices, capacity building of members and customers and the customer grievance redressal mechanism, among others.

Misra said, "We thank the RBI for recognising our role in monitoring and maintaining discipline on the ground and in ensuring that the spirit of customer protection - that is intrinsic to RBI frameworks - is safeguarded. Our work has become even more crucial now as we navigate the road ahead which will be exciting with the changing ecosystem and the new regulations that lay focus on customer protection, risk management, governance, transparency, and compliances. However, we have always enjoyed the support of our Members who with their customer-centric approach are empathetic, inclined towards self-regulation and are cognisant of their responsibilities."

Publication	The Week
Edition	Online
Date	March 14, 2022

URL: <https://www.theweek.in/wire-updates/business/2022/03/14/del75-biz-rbi-ld-microfinance.html>

THE WEEK

RBI allows MFIs to fix interest ratesPTI Updated: March 14, 2022 19:44 IST
(Eds: Updating)

Mumbai, Mar 14 (PTI) The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said. PTI NKD CS NKD ANU

Publication	The Print
Edition	Online
Date	March 14, 2022

URL: <https://theprint.in/economy/rbi-allows-mfis-to-fix-interest-rates/873333/>

ThePrint

RBI allows MFIs to fix interest rates

PTI 14 March, 2022 07:45 pm IST

Mumbai, Mar 14 (PTI) The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company – microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said. PTI NKD CS NKD ANU ANU

Publication	CNBC TV 18
Edition	Online
Date	March 14, 2022

URL: <https://www.cnbctv18.com/finance/rbi-allows-microfinance-lenders-to-fix-interest-rates-12828802.htm>



RBI allows microfinance lenders to fix interest rates

Profile image

By PTI | Mar 15, 2022, 12:06 AM IST (Published)

Mini

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said. Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

RBI allows microfinance lenders to fix interest rates

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers. A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding the pricing of microfinance loans, said the 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'. In the past, the central bank used to announce the rates on a quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said. Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added. The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans. "Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding the limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income. "This shall be subject to a limit of maximum 50 percent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower. Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 percent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 percent of the total assets. In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022, at 7.89 percent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI. Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over-indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	Zee News
Edition	Online
Date	March 14, 2022

URL: <https://zeenews.india.com/economy/rbi-allows-mfis-to-fix-interest-rates-2445284.html>



RBI allows MFIs to fix interest rates

In the past, the central bank used to announce the rates on quarterly basis.

Edited By:Shubham Singh Updated: Mar 14, 2022, 21:06 PM IST

New Delhi: The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	Zee Business
Edition	Online
Date	March 14, 2022

URL: <https://www.zeebiz.com/personal-finance/news-rbi-allows-microfinance-lenders-to-fix-interest-rates-on-loans-180895>



RBI allows microfinance lenders to fix interest rates on loans

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction, Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

Written By: PTI Updated: Mon, Mar 14, 2022 07:50 pm PTI

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction, Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 percent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 percent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 percent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	Zee News
Edition	Online
Date	March 14, 2022

URL: <https://www.zeebiz.com/personal-finance/news-rbi-allows-microfinance-lenders-to-fix-interest-rates-on-loans-180895>



RBI allows microfinance lenders to fix interest rates on loans

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction, Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

Written By: PTI Updated: Mon, Mar 14, 2022 07:50 pm PTI

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction, Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 percent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 percent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 percent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	Republic TV
Edition	Online
Date	March 14, 2022

URL: <https://www.republicworld.com/india-news/economy/rbi-allows-mfis-to-fix-interest-rates.html>

R. REPUBLICWORLD.COM

RBI Allows MFIs To Fix Interest Rates

Written By Press Trust Of India

Mumbai: The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers. A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet. "Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans. "Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said. There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company – microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said. PTI NKD CS NKD ANU ANU

Publication	India.com
Edition	Online
Date	March 14, 2022

URL: <https://www.india.com/business/rbi-allows-microfinance-lenders-to-fix-interest-rates-on-loans-5286123/>



RBI Allows Microfinance Lenders To Fix Interest Rates On Loans

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Updated: March 14, 2022 8:22 PM IST

By PTIEmailEdited by Sanstuti Nath

Mumbai: The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers. A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet. "Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans. "Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said. There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company – microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	Navbharat Times
Edition	Online
Date	March 14, 2022

URL: <https://navbharattimes.indiatimes.com/business/business-news/rbi-allows-microfinance-institutions-to-fix-interest-rates-on-their-own-with-certain-conditions/articleshow/90207941.cms>



By: ET

रिजर्व बैंक ने सूक्ष्म-वित्त संस्थानों को कुछ 'शर्तों' के साथ खुद ब्याज दर तय करने की अनुमति दी।
डिसक्लेमर: यह आर्टिकल एजेंसी फीड से ऑटो-अपलोड हुआ है। इसे नवभारतटाइम्स.कॉम की टीम ने एडिट नहीं किया है।

भाषा | Updated: 14 Mar 2022, 8:41 pm

मुंबई, 14 मार्च (भाषा) भारतीय रिजर्व बैंक (आरबीआई) ने सूक्ष्म-वित्त ऋणदाता संस्थानों को ऋण की ब्याज दरें तय करने की अनुमति देने के साथ ही कहा है कि यह बहुत ज्यादा नहीं होना चाहिए। एक सूक्ष्म-वित्त ऋण का आशय तीन लाख रुपये तक की सालाना आय वाले परिवार को दिए जाने वाले गारंटी-मुक्त कर्ज से है। रिजर्व बैंक ने सूक्ष्म-वित्त ऋणों के संबंध में अपने निर्देशों का नियामकीय प्रारूप जारी करते हुए कहा कि सभी नियमित इकाइयों को निदेशक-मंडल की अनुमति वाली एक नीति लागू करनी चाहिए। इस नीति में सूक्ष्म-वित्त ऋण की कीमत, कवर, ब्याज दरों की अधिकतम सीमा

मुंबई, 14 मार्च (भाषा) भारतीय रिजर्व बैंक (आरबीआई) ने सूक्ष्म-वित्त ऋणदाता संस्थानों को ऋण की ब्याज दरें तय करने की अनुमति देने के साथ ही कहा है कि यह बहुत ज्यादा नहीं होना चाहिए।

एक सूक्ष्म-वित्त ऋण का आशय तीन लाख रुपये तक की सालाना आय वाले परिवार को दिए जाने वाले गारंटी-मुक्त कर्ज से है।

रिजर्व बैंक ने सूक्ष्म-वित्त ऋणों के संबंध में अपने निर्देशों का नियामकीय प्रारूप जारी करते हुए कहा कि सभी नियमित इकाइयों को निदेशक-मंडल की अनुमति वाली एक नीति लागू करनी चाहिए। इस नीति में सूक्ष्म-वित्त ऋण की कीमत, कवर, ब्याज दरों की अधिकतम सीमा और सभी अन्य शुल्कों के बारे में स्पष्टता लाने की जरूरत है।

पहले आरबीआई खुद ही तिमाही आधार पर ब्याज दरों की घोषणा किया करता था। लेकिन अब ब्याज दर तय करने का अधिकार सूक्ष्म-वित्त संस्थानों को सौंपा जा रहा है।

नए प्रावधान एक अप्रैल 2022 से लागू हो जाएंगे।

सूक्ष्म-वित्त ऋण दिशानिर्देश संबंधी इस प्रारूप के मुताबिक, "इन कर्जों पर ब्याज दरें एवं अन्य शुल्क बहुत ऊंचे नहीं रखे जाने चाहिए। ये शुल्क एवं दरें रिजर्व बैंक की निगरानी के दायरे में होंगी।" उन्हें कर्ज से जुड़े शुल्क की एक सीमा भी तय करने को कहा गया है।

इसके साथ ही प्रत्येक नियमित इकाई को एक संभावित कर्जदार के बारे में कीमत-संबंधी जानकारी एक मानकीकृत सरल 'फैक्टशीट' के रूप में देनी होगी। इसके अलावा केंद्रीय बैंक ने यह भी कहा है कि कर्जदार अगर अपने कर्ज को समय से पहले चुकाना चाहता है, तो उस पर किसी तरह की जुर्माना नहीं लगाया जाए।

हालांकि, अगर किस्त के भुगतान में देरी होती है, तो सूक्ष्म-वित्त संस्थान ग्राहक पर जुर्माना लगा सकते हैं लेकिन वह भी बकाया राशि पर ही लगाया जाएगा, समूची कर्ज राशि पर नहीं।

रिजर्व बैंक ने कहा कि किसी सूक्ष्म-वित्त कर्ज की अदायगी के संदर्भ में कर्जदार की मासिक आय की अधिकतम 50 प्रतिशत राशि ही पुनर्भुगतान की सीमा बनाई जा सकती है। इसके अलावा कर्ज संबंधी समझौता कर्ज ले रहे व्यक्ति को समझ में आने वाली भाषा में तैयार करने का भी प्रावधान किया गया है।

पुराने दिशानिर्देशों के तहत सूक्ष्म-वित्त संस्थान की अर्हता नहीं रखने वाली गैर-बैंकिंग वित्तीय कंपनी (एनबीएफसी) अपनी कुल परिसंपत्ति के 10 फीसदी से अधिक सूक्ष्म-वित्त कर्ज नहीं दे सकती थीं। लेकिन अब इसकी अधिकतम सीमा को बढ़ाकर 25 प्रतिशत कर दिया गया है।

सूक्ष्म-वित्त संस्थानों के संगठन एमएफआईएन के निदेशक आलोक मिश्रा ने आरबीआई के नए निर्देशों का स्वागत करते हुए कहा कि इससे न केवल ऋण कारोबार में समान अवसर मिलेंगे बल्कि ज्यादा कर्ज में डूबने और कर्ज कर्ज देने की समस्या से भी निपटने में मदद मिलेगी।

Publication	Rediff
Edition	Online
Date	March 14, 2022

URL: <https://www.rediff.com/business/report/rbi-allows-microfinance-lenders-to-fix-interest-rates/20220314.htm>

rediff.com

RBI Allows MFIs To Fix Interest Rates

Source: PTI

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers. A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet. "Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans. "Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said. There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company – microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	UNI
Edition	Online
Date	March 14, 2022

URL: <https://www.uniindia.com/story/MFIN-welcomes-RBIs-common-regulatory-framework-for-MFI-lenders>



United News of India
India's Multi Lingual News Agency

MFIN welcomes RBI's common regulatory framework for MFI lenders

- March 14, 2022, 9:06 pm

Mumbai, March 14 (UNI) Microfinance Institutions Network (MFIN), the association for microfinance entities, on Monday welcomed the harmonized regulations announced by the RBI for the sector where common regulatory framework will be applicable to all entities, banks, NBFCs, and MFIs, saying it will create a level playing field for all the lenders. In its new guidelines issued today, the RBI has defined a microfinance loan as a 'collateral-free' loan granted to a household with an annual household income of up to Rs 3 lakh, which currently is Rs 125,000 for rural and Rs 200,000 for urban and semi-urban areas. The new framework, called the Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, which will be effective from April 1, 2022, has also removed the pricing cap on NBFC-MFIs. The much-awaited harmonized regulations come subsequent to the consultative document released by the RBI in June 2021 which sought to review the applicable regulatory framework for microfinance activities undertaken by all regulated entities of the Reserve Bank and address the concerns related to the over-indebtedness of microfinance borrowers, among others. Terming the new framework as "extremely comprehensive", MFIN CEO and Director Alok Misra said the harmonized regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all regulated entities (REs) of the RBI. "Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector. More importantly, the RBI has taken a prudent view of the bottlenecks that presented in credit delivery, addressing each of them," he said. Misra further said the revision of household income is a very progressive move with far reaching implications as more needy, low-income households will now come into the purview of accessible credit, taking us closer to our financial inclusion goal. The RBI has also taken into consideration MFIN plea to relax the 85 per cent qualifying asset criteria and now fixed it at 75 per cent of the net assets, which will allow NBFC-MFIs to diversify their portfolio as also provide larger loans to mature clients. As per the new guidelines, boards of microfinance institutions will have the freedom to determine the interest rates on loans. "Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," the RBI said. RBI also directed all the lenders' to adopt flexible repayment policies to meet borrowers' needs. The RBI has also stipulated all REs to use comprehensive credit bureau report in lending decisions as well as elucidated on transparent pricing and fair practices, keeping the client centricity as key principle of microfinance. The RBI has also placed an important role for the SRO (self regulatory organization) to build a responsible microfinance ecosystem. "We thank the RBI for recognising our role in monitoring and maintaining discipline on ground and in ensuring that the spirit of customer protection - that is intrinsic to RBI frameworks - is safeguarded. Our work has become even more crucial now as we navigate the road ahead which will be exciting with the changing ecosystem and the new regulations that lay focus on customer protection, risk management, governance, transparency, and compliances," Misra added. UNI PSK SHK2105

Publication	UNI
Edition	Online
Date	March 14, 2022

URL: <https://www.uniindia.com/story/MFIN-welcomes-RBIs-harmonized-regulations-for-microfinance>



United News of India
India's Multi Lingual News Agency

MFIN welcomes RBI's harmonized regulations for microfinance

- March 14, 2022, 9:05 pm

Kolkata, Mar 14 (UNI) MFIN, the Association for microfinance entities has welcomed the harmonized regulations for the sector announced by the Reserve Bank of India on Monday. The much-awaited harmonized regulations come subsequent to the consultative document released by the RBI in June 2021 which sought to review the applicable regulatory framework for microfinance activities undertaken by all REs of the Reserve Bank and address the concerns related to the over-indebtedness of microfinance borrowers, among others. Speaking on this important regulation, Alok Misra, CEO & Director, MFIN, said, "Extremely comprehensive, the harmonized regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all Regulated Entities (REs) of the RBI. "Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector. "More importantly, the RBI has taken a prudent view of the bottlenecks that presented in credit delivery, addressing each of them. Revision of household income is a very progressive move with far reaching implications as more needy, low-income households will now come into the purview of accessible credit, taking us closer to our financial inclusion goal," said Misra. UNI SJC SSP

Publication	The Print Hindi
Edition	Online
Date	March 14, 2022

URL: <https://hindi.theprint.in/india/economy/rbi-allows-micro-finance-institutions-to-fix-interest-rates-on-their-own-with-certain-conditions/292671/>

दिप्रिंट

रिजर्व बैंक ने सूक्ष्म-वित्त संस्थानों को कुछ 'शर्तों' के साथ खुद ब्याज दर तय करने की अनुमति दी

भाषा

14 March, 2022 08:45 pm IST

मुंबई, 14 मार्च (भाषा) भारतीय रिजर्व बैंक (आरबीआई) ने सूक्ष्म-वित्त ऋणदाता संस्थानों को ऋण की ब्याज दरें तय करने की अनुमति देने के साथ ही कहा है कि यह बहुत ज्यादा नहीं होना चाहिए।

एक सूक्ष्म-वित्त ऋण का आशय तीन लाख रुपये तक की सालाना आय वाले परिवार को दिए जाने वाले गारंटी-मुक्त कर्ज से है।

रिजर्व बैंक ने सूक्ष्म-वित्त ऋणों के संबंध में अपने निर्देशों का नियामकीय प्रारूप जारी करते हुए कहा कि सभी नियमित इकाइयों को निदेशक-मंडल की अनुमति वाली एक नीति लागू करनी चाहिए। इस नीति में सूक्ष्म-वित्त ऋण की कीमत, कवर, ब्याज दरों की अधिकतम सीमा और सभी अन्य शुल्कों के बारे में स्पष्टता लाने की जरूरत है।

पहले आरबीआई खुद ही तिमाही आधार पर ब्याज दरों की घोषणा किया करता था। लेकिन अब ब्याज दर तय करने का अधिकार सूक्ष्म-वित्त संस्थानों को सौंपा जा रहा है।

नए प्रावधान एक अप्रैल 2022 से लागू हो जाएंगे।

सूक्ष्म-वित्त ऋण दिशानिर्देश संबंधी इस प्रारूप के मुताबिक, "इन कर्जों पर ब्याज दरें एवं अन्य शुल्क बहुत ऊंचे नहीं रखे जाने चाहिए। ये शुल्क एवं दरें रिजर्व बैंक की निगरानी के दायरे में होंगी।" उन्हें कर्ज से जुड़े शुल्क की एक सीमा भी तय करने को कहा गया है।

इसके साथ ही प्रत्येक नियमित इकाई को एक संभावित कर्जदार के बारे में कीमत-संबंधी जानकारी एक मानकीकृत सरल 'फैक्टशीट' के रूप में देनी होगी। इसके अलावा केंद्रीय बैंक ने यह भी कहा है कि कर्जदार अगर अपने कर्ज को समय से पहले चुकाना चाहता है, तो उस पर किसी तरह की जुर्माना नहीं लगाया जाए।

हालांकि, अगर किस्त के भुगतान में देरी होती है, तो सूक्ष्म-वित्त संस्थान ग्राहक पर जुर्माना लगा सकते हैं लेकिन वह भी बकाया राशि पर ही लगाया जाएगा, समूची कर्ज राशि पर नहीं।

रिजर्व बैंक ने कहा कि किसी सूक्ष्म-वित्त कर्ज की अदायगी के संदर्भ में कर्जदार की मासिक आय की अधिकतम 50 प्रतिशत राशि ही पुनर्भुगतान की सीमा बनाई जा सकती है। इसके अलावा कर्ज संबंधी समझौता कर्ज ले रहे व्यक्ति को समझ में आने वाली भाषा में तैयार करने का भी प्रावधान किया गया है।

पुराने दिशानिर्देशों के तहत सूक्ष्म-वित्त संस्थान की अर्हता नहीं रखने वाली गैर-बैंकिंग वित्तीय कंपनी (एनबीएफसी) अपनी कुल परिसंपत्ति के 10 फीसदी से अधिक सूक्ष्म-वित्त कर्ज नहीं दे सकती थीं। लेकिन अब इसकी अधिकतम सीमा को बढ़ाकर 25 प्रतिशत कर दिया गया है।

सूक्ष्म-वित्त संस्थानों के संगठन एमएफआईएन के निदेशक आलोक मिश्रा ने आरबीआई के नए निर्देशों का स्वागत करते हुए कहा कि इससे न केवल ऋण कारोबार में समान अवसर मिलेंगे बल्कि ज्यादा कर्ज में डूबने और कई कर्ज देने की समस्या से भी निपटने में मदद मिलेगी।

भाषा प्रेम अजय

Publication	Devdiscourse
Edition	Online
Date	March 14, 2022

URL: <https://hindi.theprint.in/india/economy/rbi-allows-micro-finance-institutions-to-fix-interest-rates-on-their-own-with-certain-conditions/292671/>



RBI allows MFIs to fix interest rates

PTI | Mumbai | Updated: 14-03-2022 19:39 IST | Created: 14-03-2022 19:39 IST

RBI allows MFIs to fix interest rates

Country: India SHARE

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Publication	Nyooz
Edition	Online
Date	March 14, 2022

URL: <https://www.nyooz.com/news/mumbai/1661915/rbi-allows-mfis-to-fix-interest-rates/>



RBI allows MFIs to fix interest rates

PTI | Mumbai | Updated: 14-03-2022 19:39 IST | Created: 14-03-2022 19:39 IST

RBI allows MFIs to fix interest rates

Country: India SHARE

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh. Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet. "Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.

Publication	Business Journal
Edition	Online
Date	March 14, 2022

URL: <https://business-journal.in/finance/mfis-welcome-rbis-regulatory-framework-for-microfinance-loans-business-journal/>



RBI allows MFIs to fix interest rates
PTI | Mumbai | Updated: 14-03-2022 19:39 IST | Created: 14-03-2022 19:39 IST
RBI allows MFIs to fix interest rates
Country: India SHARE

The Reserve Bank of India (RBI) on Monday allowed microfinance lenders to fix interest rates on loans with a rider that those should not be usurious for the borrowers.

A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh.

Each regulated entity (RE) should put in place a board-approved policy regarding pricing of microfinance loans, said the 'Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022'.

In the past, the central bank used to announce the rates on quarterly basis.

"Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," it said.

Also, each RE has to disclose pricing-related information to a prospective borrower in a standardised simplified factsheet.

"Any fees to be charged to the microfinance borrower by the RE and/ or its partner/agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet," it added.

The directions will come into force from April 1.

Further, there should be no pre-payment penalty on microfinance loans.

"Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount," the RBI said.

Regarding limit on loan repayment obligations of a household, it said each RE should have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income.

"This shall be subject to a limit of maximum 50 per cent of the monthly household income," it said.

There should also be a standard form of loan agreement for microfinance loans in a language understood by the borrower.

Under the earlier guidelines, an NBFC that does not qualify as a non-banking financial company - microfinance institution (NBFC-MFI), cannot extend microfinance loans exceeding 10 per cent of its total assets.

The maximum limit on microfinance loans for such NBFCs (NBFCs other than NBFC-MFIs) now stands revised at 25 per cent of the total assets.

In December 2021, RBI had fixed the applicable average base rate to be charged by NBFC-MFIs to their borrowers for the quarter beginning January 1, 2022 at 7.89 per cent.

MFIN, the association for microfinance entities has welcomed the harmonised regulations for the sector announced by RBI.

Commenting on the regulation, Alok Misra, CEO and Director, MFIN said the harmonised regulations will usher in a new era/beginning for the microfinance sector where a common regulatory framework will be applicable to all REs of RBI.

"Besides creating a level playing field, the framework will address issues of over indebtedness and multiple lending which were of paramount concerns for the sector," Misra said.

Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen said the revision of the income cap to Rs 3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting.

"This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid," Hebbar said.