



**New Delhi, May 05, 2021:** MFIN (Microfinance Institutions Network), the representative microfinance Industry association and RBI recognized self-regulatory organization, has welcomed RBI Governor's initiative to infuse liquidity for small MFIs by classifying and recognising Small Finance Bank's (SFBs) lending to smaller NBFC-MFIs as priority sector lending. As SFBs understand the market well, it should lead to tangible liquidity flow. By allowing lenders the flexibility to restructure microfinance loans on a case-to-case basis is also welcome as it will provide relief to stressed clients.

Dr Alok Misra, CEO, MFIN said: "Seeing the severity of the situation, RBI Governor has proactively met sector representatives and followed it up with possibly first steps - he mentioned in the beginning that the policy response will be calibrated, sequenced and well timed. Liquidity is the key and I hope along with April announcement of Rs 50,000 crore support through AIFIs and today's measure will help the sector. We also expect that with changes in the evolving situation, RBI will keep introducing newer relief measures."

"We will keep engaging with the RBI on creating a systemic support for allocating a specific subtotal out of the overall liquidity support for the smaller NBFC MFIs, Dr Misra said adding "we also anticipate that the pricing issue would also hopefully be resolved soon."

#### **About Microfinance Institutions Network**

MFIN is a premier industry association comprising 58 NBFC-MFIs and 39 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. It is also the Self-Regulatory Organization (SRO) for the regulated NBFC-MFI. By virtue of bringing the NBFC-MFIs under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusion goals.