

Press Release

Microfinance remains committed to ensure credit reaches the BoP in Assam : **MFIN**

Guwahati, June 15, 2020: Microfinance Institutions Network (MFIN), an RBI recognized self-regulatory organization and microfinance industry association in India, and its members will continue to play a critical role in ensuring credit to the bottom of the pyramid as the State rebuilds itself strongly after the opening up of the lockdown. The honourable Chief Minister and the FM directed all financial institutions in the last State Level Banking Committee (SLBC) to play a key role in extending all benefits and credit to the end clients so that they rebuild their livelihood.

Further, it was decided to extend the benefits of the "**Bihu Aarthik Swaavalamban**" package announced on 12th March 2020 for stressed microfinance women borrowers until August 31, 2020. The scheme was earlier announced in March 2020, after which the country went into lockdown on 25th March 2020 and the borrowers could not fully avail the benefits.

After the lockdown was imposed, the Reserve Bank of India announced an initial moratorium on loans for three months from March 1st to May 31st, and further extended it for a period of three months ending August 31st 2020. These relief measures, of course, need to be discussed, availed or implemented strictly in consultation directly with the lender concerned. MFIN is reinitiating "**Bihu Aarthik Swaavalamban**" which offered three-pronged relief **1)** microfinance loan repayment at lower monthly instalments **2)** repayment at a lower rate of interest **3)** availing of prompt repayment benefits on prompt and regular payment and closure of existing loan.

On the extension of the '**Bihu Aarthik Swaavalamban**' initiative, Mr Harsh Shrivastava, CEO-MFIN said: "*We announced this package earlier but people couldn't get the full benefit due to national lockdown hence we have decided to extend the scheme to help the stressed clients to get back on track. Our members have restarted business both on disbursement of new loans and collections from those customers who have opted out of the extended moratorium as it entails paying additional interest.*"

MFIN Members serve over 27 lakh clients in Assam with a portfolio outstanding of INR 12,000 Crore as of March 2020. '**Bihu Aarthik Swaavalamban**' initiative post the lockdown would immensely help borrowers willing to repay to come out of being an NPA, improve their credit score, thereby making them eligible for fresh loans which the sector is eager to provide.