

## **Credit Terms**

The loan shall be offered on very soft terms. The size of an individual loan shall be Rf 15,000/- and the size of the group loan shall be Rf 30,000/-. A grace period of not less than three months shall be giving to start off the business. The terms of interest are a service charge of 6% on every loan, which is for the entire loan period. The loan repayment period shall be distributed over three years and the service charge on the loan shall be repaid along with the principle payments.

- a) The applicant shall be the main person to manage the business or the activity.
  - b) The proposed activity should generate income.
  - c) Priority shall be given to innovative and job creative income generating activities and those having a direct benefit on community.
  - d) Groups may request for a loan so that every individual is responsible for a portion of the money. But IWC's or any community registered groups shall not be included under this scheme.
  - e) The fund shall be utilized for the activity for which it was given and action shall be taken if the fund is used otherwise.
  - f) In case an established business is being upgraded or registered on receipt of the loan then the loan shall be on the loan applicant's own name. A copy of the registration document shall be given to Ministry of Women's Affairs and Social Security (MWASS).
  - g) In case of default a fine of 2% is included on her next repayment date. This delay is allowed to go for not longer than three months. The matter shall be taken to Sharia and prevailing laws shall apply if she defaults more than three repayments.
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