

## **FREQUENTLY ASKED QUESTIONS (FAQs)**

### **COMMON COVID EMERGENCY CREDIT LINE** **(FINANCIAL ASSISTANCE TO SHG MEMBERS)** **(CCECL- SHG)**

#### **1. What are the objectives of Common Covid Emergency Credit Line for SHG-Term Loan (CCECL- SHG)?**

- To provide relief to SHG Members to tide over the COVID 19 pandemic outbreak
- To extend an additional credit facility to the eligible existing borrowers by way of ad-hoc facilities viz Common Covid 19 Emergency Credit Line for sustaining Agri income generation activity.

#### **2. Who are eligible for finance under CCECL-SHG?**

- All existing SHG Term Loan borrowers
- All standard accounts including SMA 0 and SMA 1 accounts (*Risk Grade 0,1 and 2*) as on date of sanction irrespective of internal rating (**SMA 2 are not eligible**).

#### **3. What are the purposes covered under CCECL-SHG?**

- Financial assistance to sustain Agri income generation activity.

#### **4. What are the documents required for availing CCECL-SHG?**

- Application for loan assistance by SHG
- Resolution for availing "CCECL"
- Inter -se Agreement to be executed by all members of SHG
- Articles of Agreement for financing SHGs-executed by Authorized Representatives
- Arrangement Letter

#### **5. What is the validity period of the scheme CCECL-SHG?**

- The scheme (CCECL) will be in force up to 30.06.2020 (*drawdown will be permitted up to 31.07.2020 either in single tranche or maximum of three tranches*).

**6. What is the minimum and maximum loan under CCECL-SHG?**

- Maximum loan: Ten (10%) of the existing limit.
- Rs,5,000/- per SHG member is the minimum

**7. What is the margin required under CCECL-SHG?**

- NIL

**8. What is the interest rate for the CCECL-SHG?**

- 1- Year MCLR (*Marginal Cost of Funds Lending Rate*) to be reset after one year.
- At present, interest rate applicable is @7.40% p.a.

**10. What is the loan facility of CCECL-SHG and its tenor?**

- Agri Term Loan- Maximum 36 months

**11.. What are the security norms for the loan availed under CCECL-SHG?**

- **Primary security:** Hypothecation of assets created out of Bank's finance and extension of charges on stocks /other assets.
- **Collateral security:** NIL.

**12. What is the repayment period fixed for loans availed under CCECL-SHG?**

- Repayment period: Three years. 30 EMIs to commence after an initial moratorium period six months.

**13. What is the processing / inspection / prepayment / penal interest charges for loans availed under CCECL-SHG?**

- NIL