

**FREQUENTLY ASKED QUESTIONS (FAQS) FOR
UNION SHG COVID SUVIDHA LOAN**

| S N | Questions | Clarification/Answers |
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| 1 | What is the purpose of UNION SHG COVID SUVIDHA LOAN? | To meet the emergent needs of SHG members in the wake of COVID-19 outbreak. |
| 2 | Whether all SHGs will be eligible for the loan? | No. Only existing SHGs with satisfactory track record are eligible to avail the loan under the scheme. |
| 3 | Whether the loan can be granted only during lock down period? | No. The scheme is valid upto 30.09.2020. Hence loans can be granted till 30.09.2020 |
| 4 | Whether loan can be granted in the form of Cash Credit? | No. The loan facility can be sanctioned in the form of Term Loan only. |
| 5 | How to calculate the quantum of term loan for SHG under this scheme? | The Term loan will be sanctioned as per demand/resolution provided by SHG in format enclosed in Annexure 2 of IC No.01987 dt.30.03.2020 subject to maximum Rs.5000/- per member OR Rs.1 Lakh per group whichever is less. |
| 6 | Whether assessment of term loan limit is linked to thrift/savings corpus of the SHG? | No. The assessment of limit is based on request of SHG members subject to maximum Rs.5000/- per SHG member OR Rs.1 Lakh per SHG whichever is less. |
| 7 | How the repayment of loan will be made by the SHG? | The Loan is repayable in 30 monthly instalments and first instalment will commence after an initial moratorium period of 6 months. |
| 8 | Whether the loan amount will be disbursed in SHG savings accounts OR individual SHG members savings account? | The loan amount will be disbursed in individual SHG members savings account. |
| 9 | Whether the scheme attracts any service charges? | Processing Charges, Documentation charges, EM Charges, Review Charges etc are waived for the scheme. |
| 10 | Whether any prepayment charges are applicable to the scheme? | No prepayment charges are applicable to the scheme. |
| 11 | Whether all SHG members CIF ID are to be linked with SHG account? | Yes, before disbursement of loan to SHG members- branches to ensure addition of all SHG members CIF IDs in SHG main account. |
| 12 | Account of SHG is NPA with any bank and standard with Union Bank can avail the facility? | Account NPA with any bank, though Standard with our bank are not eligible for the loan facility. |
| 13 | Whether any collateral security is required for availing the loan under the scheme? | It is not required to provide any collateral security by the SHG for availing the loan under this scheme. |
| 14 | What is the Rate of Interest for the loan under the scheme? | The Rate of Interest applicable in this scheme is 1Year MCLR. However, SHGs under NRLM districts are eligible for Rate of Interest of 7% for combined limits upto Rs.3.00 Lakh (Existing Loan + Union SHG Covid Suvidha Loan) |

