

## MICRO CREDIT PROJECT

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## INTRODUCTION

### PROBLEM STATEMENT

#### BUSINESS PROBLEM FRAMING

A Microfinance institutions (MFI) is an organization that offers financial services to low-income populations. MFS becomes very useful when targeting especially the unbanked poor families living in remote areas with not much source of income.

They understand the importance of communication and how it effects a person's life and lack of communication can cause lot of uncertain problems, thus, focusing on providing their services and products to low income families and poor customers that can help them in the need of hour.

## **CONCEPTUAL BACKGROUND OF THE DOMAIN PROBLEM**

MFS are collaborating with an MFI to provide micro-credit on mobile balances to be paid back in 5 days. The Consumer is believed to be defaulter if he deviates from the path of paying back the loaned amount within the time duration of days. For the loan amount of 5 (in Indonesian Rupiah), payback amount should be 6 (in Indonesian Rupiah), while for the loan amount of 10 (in Indonesian Rupiah), the payback amount should be 12 (in Indonesian Rupiah).

## **REVIEW OF LITERATURE**

The Microfinance services (MFS) provided by MFI are group loans, Agricultural Loans, Individual Business Loans and so on. Many microfinance institutions (MFI), experts and donors are supporting the idea of using mobile financial services (MFS) which they feel are more convenient and efficient, and cost saving, than the traditional high-touch model used since long for the purpose of delivering microfinance services. Though, The MFI industry is primarily focusing on low-income families and are very useful in such areas, the implementations of MFS has been uneven with both significant challenges and successes.

Today, Microfinance is widely accepted as a poverty-reduction tool, representing \$70 billion in outstanding loans and a global outreach of 200 \$ million.