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**PRODUCT REQUIREMENT DOCUMENT**

**INDIVIDUAL MICROFINANCE LOAN**

**Version :** MiFiX/Individual MF Loan/PRD/v2.0

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# **INTRODUCTION**

**Individual Microfinance Loans** are small loans provided to individuals, typically in low-income or underserved segments, to support entrepreneurial ventures, income-generating activities, or personal financial needs. Unlike group lending models where borrowers rely on joint liability, individual loans are tailored to the needs and capacity of a single borrower and assessed based on their repayment ability.

# **CURRENT SCOPE**

This project aims to address a critical challenge in the context of JLG (Joint Liability Group) loans, where prospects often fail to form a group due to drop-offs during the credit eligibility assessment. To overcome this, the project will offer **individual microfinance loans** to credit-eligible customers who are unable to form a group, provided they meet the required criteria.

In addition to supporting JLG drop-off customers, the project also focuses on expanding its scope to onboard **existing active customers** for individual loans and directly onboard **new prospects**, ensuring a comprehensive approach to meet diverse customer needs and enhance financial inclusion.

# **FUTURE SCOPE**

Individual microfinance loans have the potential to be spun off into a dedicated customer-facing application. This platform would enable prospects to self-onboard and avail of loans independently, provided they meet the credit eligibility criteria. The development and implementation of such a solution will be explored in collaboration with lenders to ensure a seamless and efficient process.

# **PRODUCT SPECIFICATIONS**

1. Minimum and maximum age of borrower and co-borrower : 18-60 years old
2. Maximum household income : INR 3,00,000
3. Household includes : wife, husband, unmarried adult children
4. Minimum and maximum loan amount : INR 30,000-1,50,000
5. Loan tenure : For loans up to 50,000 – 24 months; For loans between 50,000 – 1,50,000 – 48 months
6. Rate of interest : 26%
7. DBR : less than or equal to 50%

Total monthly obligations should be less than or equal to 50% of total monthly income

1. Applicable fees : Processing Fee (2% of loan amount) + GST + Documentation Charges
2. Insurance premium to be deducted from the customer’s loan amount prior to disbursement

# **CREDIT CRITERIA**

|  |  |  |
| --- | --- | --- |
| **Sl. No** | **LATEST CRE CONDITION** | **RULE INTERPRETATION** |
| 1 | Active DPD as per Loan policy both in Advance overlap (30) and Base report (30) should not be more than 30, 30 respectively in the last reported month, if last reported month is xxx, the same should be backtracked and check should be done with just previous month. | For MFI loans, if DPD > 30 days in the last reported month, then customer will be rejected |
|  |  | For consumer (retail) loans, if DPD > 30 days in the last reported month, then customer will be rejected |
| 2 | Any instance of Written off cases, NPA, Settled down cases. | If the customer has any loans with "written off", "NPA" or "settled down" status, then customer will be rejected |
| 3 | Any loans having, SUB, DBT, LOS | If the customer has any loans with "SUB", "DBT" or "LOS" status, then customer will be rejected |
| 4 | Any loans with Written off amount present or Side heading as Written off, settled, post settled written off. | Within the credit report, if the customer has any loans with "written off amount", or side heading with "written off", "settled", "post settled written off" status, then customer will be rejected |
| 5 | If status is mentioned as "Suit Filed Status/Suit Filed" | If the customer has any loans with "suit filed status" or "suit filed" status, then customer will be rejected |
| 6 | If any write-off amount is present in the Total Writeoff Amt column, settlement amount column. | Within the credit report, if the customer has any loans with a written off amount within the "total writeoff amt" or "settlement amount" column, then the customer is rejected |
| 7 | Total other MFIs allowed present in report is more than 3 in case of active loans. | If the customer has active microfinance loans from more than 4 MFIs, including the Federal Bank loan currently being availed, then the prospect is rejected |
| 8 | If the current balance is 0, overdue amount is available and DPD days is above 30 | If the customer has an active loan with current balance = 0, overdue amount > 0 and DPD > 30, then prospect is rejected |

# **PROCESS FLOW AND DESCRIPTION**

## **MFI LOAN INITIATION PROCESS – FROM JLG LOAN PROCESS**

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### **PROSPECT IDENTIFICATION**

* Delivery Partner’s (DP) Relationship Managers (RM) will conduct Centre Meeting in the identified area and the interested prospective customers (Prospects) will be identified by the RM.
  + Generally, the prospects come together as a group interested in availing a JLG loan.
* Following this, the remaining preliminary prospect details will be collected by the RM using MiFiX mobile UI for those prospects who are interested.

### **L1 INFO – PROSPECT ONBOARDING AND BASIC DETAILS CAPTURE**

* The RM will begin the onboarding process by capturing the video and OTP based consent from the prospect.
* For the prospects whose consent was captured, the RM will complete bio-metric based e-KYC verification which will fetch the prospect’s Aadhaar details from the UIDAI database.
* If verification is successfully completed, the next step is to capture their secondary KYC details and basic information required for credit check.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Type** | **Required Validations & Comments** |
| L1 Info | Mobile Number | Primary Mobile Number | M | no | Text Field | 10 digits |
|  |  | Prospect Recent Photo | M | yes | Image | 1 image |
|  | Applicant Details | Prospect e-KYC Photo | M | no | Image | e-KYC fetch |
|  |  | Full Name | M | no | Text Field | e-KYC fetch |
|  |  | Date of Birth | M | no | Calendar | e-KYC fetch Age cannot be less than 18 or greater than 58 years |
|  |  | Gender | M | no | Radio Button | e-KYC fetch |
|  |  | C/O | M | no | Text Field | e-KYC fetch |
|  | KYC Address | House Number | M | no | Text Field | e-KYC fetch |
|  |  | Street | M | no | Text Field | e-KYC fetch |
|  |  | Locality | M | no | Text Field | e-KYC fetch |
|  |  | Landmark | M | no | Text Field | e-KYC fetch |
|  |  | VTC | M | no | Text Field | e-KYC fetch |
|  |  | District | M | no | Text Field | e-KYC fetch |
|  |  | State | M | no | Text Field | e-KYC fetch |
|  |  | Pin Code | M | no | Text Field | e-KYC fetch |
|  | Bank's Master | State | CM | yes | Dropdown | Prepopulate if state of KYC address available in master |
|  |  | District | CM | yes | Dropdown | Prepopulate if district of KYC address available in master |
|  |  | City | CM | yes | Dropdown | Prepopulate if city of KYC address available in master |
|  | Customer KYC Information | KYC Photo | M | yes | Image | 2 images mandatorily |
|  |  | KYC Type | M | no | Dropdown | Autopopulated using OCR on the KYC image |
|  |  | KYC Document Number | M | no | Text Field | Autopopulated using OCR on the KYC image |
|  | Prospect Additional Details | Father's Name | M | yes | Text Field |  |
|  |  | Mother's Name | M | yes | Text Field |  |
|  |  | Marital Status | M | yes | Radio Button |  |
|  |  | Spouse Name | CM | yes | Text Field | Mandatory if marital status is married |
|  | Credit Consent | Credit Consent Form Image | M | yes | Image | 1 image |
|  |  | Customer Signature | M | yes | Image | 1 image |

### **BANK CREDIT REVIEW**

* As soon as the prospect’s basic details are captured the credit check process will be automatically initiated through the credit bureau.
* The fetched credit data of the prospect along with the credit conditions set by the Bank is used to determine the credit eligibility of the prospect and the credit decision will be communicated to the RM via MiFiX.
* The credit valid prospect’s eligible loan amount will be calculated on the basis of the balance outstanding of their existing loans.

### **L2 INFO – HOUSEHOLD AND BANK ACCOUNT DETAILS CAPTURE**

* Once the credit check is completed, the RM will be able to make a decision whether or not the group can be formed on the basis of the number of credit accepted prospects.
* For the credit accepted prospects who are still able to form a group, the RM will move on to capturing the details of the prospect’s household members along with the prospect’s income, assets, expenses, and liability details.
* Additionally, once the prospect’s household details are captured, the bank account details of the prospect will be captured by the RM.
* This account will be used to disburse the loan amount.
* For the credit accepted prospects who are unable to form a group, the RM will have the option to move them into the Individual Loan segment after X number of days of being credit accepted.

### **PENNY DROP VERIFICATION**

* As soon as the L2 Info is captured, the penny drop check will be initiated to ensure that the captured bank account is active and belongs to the prospect.
* If active and belongs to the prospect, then the details will be shared to the BM as part of the first level of review.
* If not, then the RM will be able to edit the prospect’s bank account details.

### **BM REVIEW 1**

* All prospects who have completed their L2 Info capture will be listed for the BMs to verify. This will ensure that the data verification can take place in real time.
* If data correction is required, the BM will inform the RM of the required edits via voice comments that is accessible for the RM. Else, the BM will approve the case and allow them to move forward to the next stage.

### **L3 INFO – RESIDENCE DETAILS CAPTURE**

* For all the BM Review 1 approved prospects, the RM will visit their homes to verify their residence and capture the necessary proof and details.

### **BM REVIEW 2**

* All prospects who have completed their L3 Info capture will be listed for the BMs to verify. This will ensure that the data verification can take place in real time.
* If data correction is required, the BM will inform the RM of the required edits via voice comments that is accessible for the RM. Else, the BM will approve the case and allow them to move forward to the next stage.

### **JOINT LIABILITY GROUP (JLG) FORMATION**

* RM will facilitate the group formation as per the criteria for all credit approved prospects on MiFiX.
* Each group will be assigned a unique Group ID and name on MiFiX.
* This is the final stage where the RM will have the option to move prospects who are unable to form a group into the Individual Loan segment after being credit accepted.

### **REMAINING JLG PROCESS**

* The groups that have been formed by the RM will proceed with the existing JLG loan process of being field verified, capturing group photo, internal CPH verification, bank CPH verification, loan documentation and e-signing, insurance before finally having their loans disbursed.

## **MFI LOAN INITIATION PROCESS – FROM COLLECTIONS PROCESS**

A diagram of a customer

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### **LOAN RENEWAL ELIGIBLE CUSTOMER IDENTIFICATION**

* Customers whose current loan’s tenure is between 22-23 months and have less than 15 days DPD will be identified and highlighted by the system as eligible for renewal of their loan.
  + The tenure and DPD count value will be configurable as required.

### **MFI LOAN LEADS MARKING**

* For eligible customers, the options available are
  + Regular collections
  + Account closure
  + JLG loan renewal
  + MFI leads marking
* Customers who want to opt for another loan, but do not want to proceed with JLG loans can be marked as leads for MFI loans.
* For such customers, the RM will first initiate a balance outstanding check on the prospect’s existing loan account. If the prospect is willing to move forward with the loan, then the prospect’s credit check is initiated by capturing the basic information of the prospect’s as well as their household members.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Type** | **Required Validations & Comments** |
| L1 Info | Mobile Number | Primary Mobile Number | M | no | Text Field | 10 digits |
|  |  | Prospect Recent Photo | M | yes | Image | 1 image |
|  | Applicant Details | Prospect e-KYC Photo | M | no | Image | e-KYC fetch |
|  |  | Full Name | M | no | Text Field | e-KYC fetch |
|  |  | Date of Birth | M | no | Calendar | e-KYC fetch Age cannot be less than 18 or greater than 58 years |
|  |  | Gender | M | no | Radio Button | e-KYC fetch |
|  |  | C/O | M | no | Text Field | e-KYC fetch |
|  | KYC Address | House Number | M | no | Text Field | e-KYC fetch |
|  |  | Street | M | no | Text Field | e-KYC fetch |
|  |  | Locality | M | no | Text Field | e-KYC fetch |
|  |  | Landmark | M | no | Text Field | e-KYC fetch |
|  |  | VTC | M | no | Text Field | e-KYC fetch |
|  |  | District | M | no | Text Field | e-KYC fetch |
|  |  | State | M | no | Text Field | e-KYC fetch |
|  |  | Pin Code | M | no | Text Field | e-KYC fetch |
|  | Bank's Master | State | CM | yes | Dropdown | Prepopulate if state of KYC address available in master |
|  |  | District | CM | yes | Dropdown | Prepopulate if district of KYC address available in master |
|  |  | City | CM | yes | Dropdown | Prepopulate if city of KYC address available in master |
|  | Customer KYC Information | KYC Photo | M | yes | Image | 2 images mandatorily |
|  |  | KYC Type | M | no | Dropdown | Autopopulated using OCR on the KYC image |
|  |  | KYC Document Number | M | no | Text Field | Autopopulated using OCR on the KYC image |
|  | Prospect Additional Details | Father's Name | M | yes | Text Field |  |
|  |  | Mother's Name | M | yes | Text Field |  |
|  |  | Marital Status | M | yes | Radio Button |  |
|  |  | Spouse Name | CM | yes | Text Field | Mandatory if marital status is married |
|  | Household Member Details | ***Option to add multiple family members*** |  |  |  |  |
|  |  | Full Name | M | no | Text Field | 50 characters limit Alphebatical values only |
|  |  | Date of Birth | M | no | Calendar | Age cannot be less than 18 or greater than 58 years |
|  |  | Gender | M | no | Radio Button |  |
|  |  | Mobile Number | M | no | Text Field | 10 characters limit Numerical values only |
|  |  | Relationship Type | M | no | Dropdown |  |
|  | Household Member KYC Information | KYC Photo | M | yes | Image | 2 images mandatorily |
|  |  | KYC Type | M | no | Dropdown | Autopopulated using OCR on the KYC image |
|  |  | KYC Document Number | M | no | Text Field | Autopopulated using OCR on the KYC image |
|  | Credit Consent | Credit Consent Form Image | M | yes | Image | 1 image |
|  |  | Customer Signature | M | yes | Image | 1 image |

* If the prospect is credit eligible, then the RM can proceed with the closure of the prospect’s existing loan account and mark them as a lead for MFI loans in the onboarding application.

## **INDIVIDUAL LOAN PROCESS**

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### **ONBOARDING SCENARIO 1 : PROSPECT IS MOVED AS LEADS FROM JLG LOAN PROCESS**

#### **LEADS LIST**

* + All the prospects who were unable to form a group and were marked as leads for MFI loans will be listed for the RM to process.
    - When moved into the individual loan segment, all the details captured up until the movement will also be transferred.
  + For these customers, the RM can pick up the process directly from capturing the co-obligant details.

#### **CO-OBLIGANT BASIC DETAILS CAPTURE**

* + To proceed with the prospect, the RM must first capture the basic details of the prospect’s household members (co-obligant).
    - If the prospect is married, then the household member preferably must be the spouse.
    - Else if the prospect is single, then the household member preferably must be the father or mother of the prospect.
    - If the prospect is widowed or divorced, then the household member preferably must be her adult children, else the father or mother of the prospect.
  + These details will be utilised to determine the credit eligibility of the prospect for the individual microfinance loan.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Type** | **Required Validations & Comments** |
| L1 Info | Household Member Details | ***Option to add multiple family members*** |  |  |  |  |
|  |  | Full Name | M | no | Text Field | 50 characters limit Alphabetical values only |
|  |  | Date of Birth | M | no | Calendar | Age cannot be less than 18 or greater than 58 years |
|  |  | Gender | M | no | Radio Button |  |
|  |  | Mobile Number | M | no | Text Field | 10 characters limit Numerical values only |
|  |  | Relationship Type | M | no | Dropdown |  |
|  | Household Member KYC Information | KYC Photo | M | yes | Image | 2 images mandatorily |
|  |  | KYC Type | M | no | Dropdown | Autopopulated using OCR on the KYC image |
|  |  | KYC Document Number | M | no | Text Field | Autopopulated using OCR on the KYC image |
|  | Credit Consent | Credit Consent Form Image | M | yes | Image | 1 image |
|  |  | Customer Signature | M | yes | Image | 1 image |

### **ONBOARDING SCENARIO 2 : PROSPECT IS MOVED AS LEADS FROM COLLECTIONS PROCESS**

#### **LEADS LIST**

* + All the prospects who were marked as leads for MFI loans will be listed for the RM to process.
    - When moved into the individual loan segment, all the details captured for that customer will also be transferred.
  + On processing the customer from leads, the RM will be directed to capturing L2 info since the prospect’s credit approval is already completed.

### **ONBOARDING SCENARIO 3 : PROSPECT IS SOURCED AND ONBOARDED FOR MFI LOANS**

#### **CONSENT VIDEO, MOBILE DEDUPE AND OTP VERIFICATION**

* + As part of the onboarding process of the customer, the consent video will be played until completion.
    - The language of the consent video will be dependent on the state that the onboarding is taking place.
  + On completion, the customer’s consent must be captured.
    - Consent will be an OTP-based consent using their registered mobile number
  + The RM will enter the customer's mobile number and initiate the check for internal mobile number dedupe
  + If the mobile number is unique, then proceed to validate the same using an OTP. Else, allow the user to edit the mobile number.
  + A X-digit OTP generation will be generated internally and be included in the SMS content that will be sent to the customer.
    - Use the SMS gateway API provided by Federal Bank for sending the SMS to the customer.
    - The RM will be able to enter the OTP in the system and once entered, it will be validated against what was originally generated.
      * If verified and not accepted, then allow the user to re-enter the OTP or change their mobile number.
        + If the mobile number is edited, then the internal mobile number dedupe check must be done again.
      * If verified and accepted, then allow the user to proceed further to e-KYC verification.
      * If OTP is not received, then enable the option to resend the OTP after 60 seconds.

#### **E-KYC VERIFICATION AND PROSPECT SECONDARY KYC VERIFICATION**

* + The prospect’s e-KYC check will be completed through the provided bank SDK.
  + If e-KYC is verified, then allow the customer to proceed further to capture their secondary KYC details.
  + First, the customer will be prompted to capture their PAN card details
    - For this, the user will be required to capture the front and back images (in the mentioned order). These images will be passed for OCR to extract the customer’s KYC document number and name.
      * These details will be passed on for verification and will be saved if a success response is received.
        + If the verification status is negative, then the RM is prompted to recapture the correct details
  + Second, the RM will be prompted to capture the prospect’s secondary KYC details – this process is mandatory.
    - To begin, the RM will select the type of KYC being captured.
      * Voter ID
      * PAN Card
    - Then, the RM will be required to capture the front and back images (in the mentioned order). The KYC details will be extracted using OCR and passed on for verification.
      * These details will be passed on for verification and will be saved if a success response is received.
        + If the verification status is negative, then the RM is prompted to recapture the correct details

Note : Address present in the document will also be read and saved (if available)

* + Once the KYC details and verification is completed, then the RM will capture the remaining basic details of the prospect required for credit analysis

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Point Type** | **Existing/Required Validations** |
| Prospect Basic Details (L1 Info) | Applicant Details | Full Name | M | No | Text Field | e-KYC fetch |
|  |  | Date of Birth | M | No | Calendar | e-KYC fetch |
|  |  | Gender | M | No | Radio Button | e-KYC fetch |
|  |  | C/O | M | No | Text Field | e-KYC fetch |
|  |  | Father's Name | M | Yes | Text Field | 50 characters limit Alphabetical values only |
|  |  | Mother's Name | M | Yes | Text Field | 50 characters limit Alphabetical values only |
|  |  | Prospect e-KYC Photo | M | No | Image | e-KYC fetch |
|  |  | Prospect Recent Photo | M | Yes | Image | 1 image |
|  |  | Prospect Religion | M | Yes | Dropdown | bank's master |
|  | Applicant KYC Address | House Number | M | No | Text Field | e-KYC fetch |
|  |  | Street | M | No | Text Field | e-KYC fetch |
|  |  | Locality | M | No | Text Field | e-KYC fetch |
|  |  | Landmark | M | No | Text Field | e-KYC fetch |
|  |  | VTC | M | No | Text Field | e-KYC fetch |
|  |  | State | M | No | Dropdown | e-KYC fetch |
|  |  | Pin Code | M | No | Dropdown | e-KYC fetch |
|  |  | Primary Mobile Number | M | Yes | Text Field | 10 characters limit Numerical values only |
|  | Applicant Current Address | Address Line 1 | M | Yes | Text Field | 120 characters limit Alpha-numeric values |
|  |  | Landmark | M | Yes | Text Field | 50 characters limit Alpha-numeric values |
|  |  | VTC | M | Yes | Dropdown |  |
|  |  | State | M | Yes | Dropdown |  |
|  |  | Pin Code | M | Yes | Dropdown |  |
|  |  | Alternate Mobile Number | M | Yes | Text Field | 10 characters limit Numerical values only Multiple entries allowed |
|  |  | Current Address Proof | M | Yes | Image | 2 images mandatorily |
|  |  | Nature of Residence | M | Yes | Dropdown |  |
|  |  | Ownership Proof | CM | Yes | Image | 2 images mandatorily  Required only if the "Nature of Residence" is OWN |
|  | Bank's Master | State | M | Yes | Dropdown |  |
|  |  | District | M | Yes | Dropdown |  |
|  |  | City | M | Yes | Dropdown |  |
|  | Applicant Other Information | Marital Status | M | Yes | Radio Button |  |
|  |  | Educational Qualification | M | Yes | Dropdown |  |
|  | Applicant Secondary KYC Information | KYC Type | M | Yes | Dropdown | Multiple entries allowed |
|  |  | KYC Photo | M | Yes | Image | 2 images mandatorily |
|  |  | KYC Document Number | M | No | Text Field | Auto populated using OCR on the KYC image |
|  |  | ID Issue Date | M | No | Text Field | Auto populated using OCR on the KYC image |
|  |  | ID Expiry Date | M | No | Text Field | Auto populated using OCR on the KYC image |

#### **CO-OBLIGANT BASIC DETAILS CAPTURE**

* + Once the prospect’s basic details have been captured, the RM must first capture the basic details of the prospect’s household members (co-obligant).
    - If the prospect is married, then the household member preferably must be the spouse.
    - Else if the prospect is single, then the household member preferably must be the father or mother of the prospect.
    - If the prospect is widowed or divorced, then the household member preferably must be her adult children, else the father or mother of the prospect.
  + These details will be utilised to determine the credit eligibility of the prospect for the individual microfinance loan.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Point Type** | **Existing/Required Validations** |
| Household Member Basic Details (L1 Info) | Household Member Details | ***Option to add multiple family members*** |  |  |  |  |
|  |  | Full Name | M | Yes | Text Field | 50 characters limit Alphabetical values only |
|  |  | Date of Birth | M | Yes | Calendar | Age cannot be less than 18 or greater than 60 years |
|  |  | Gender | M | Yes | Radio Button |  |
|  |  | Mobile Number | M | Yes | Text Field | 10 characters limit Numerical values only |
|  |  | Relationship Type | M | Yes | Dropdown |  |
|  | Household Member KYC Information | KYC Photo | M | Yes | Image | 2 images mandatorily |
|  |  | KYC Type | M | Yes | Dropdown | Auto populated using OCR on the KYC image |
|  |  | KYC Document Number | M | Yes | Text Field | Auto populated using OCR on the KYC image |

### **BANK CREDIT REVIEW**

* All the prospect and household member basic details captured by the RM will be passed onto the household credit review API.
* The fetched report will be parsed through to determine if the prospect is eligible for the individual loan.
* Additionally, the prospect’s household liability information will also be fetched from the credit report and will be used to determine their loan eligibility.

### **HOUSEHOLD DETAILS CAPTURE**

* For the credit approved prospects, the RM will move on to capturing the remaining household details such as – address details, home ownership details, income, assets, expenses, and liability details.
* Regarding capturing current address details
  + Current address proof – select from the following dropdown values and capture 1 image for the same
    - Electricity bill
    - Water bill
    - Voter ID
    - Driver’s License
    - Passport
  + Current address
    - If the current address is the same as KYC address, then no address proof is required to be captured. And the address details will be pre-populated.
    - If address proof is voter ID, driver’s license or passport, then prepopulate the address captured from the document image – this can be further edited if required
      * For this, a pop-up with the pre-populated data will be made available. The data can be edited if required and on confirmation, the details will be saved
    - If address proof is electricity bill or water bill, then the fields will be empty and will require manual entry of the required details

Note : in all cases, the landmark field will be empty and mandatorily needs to be captured.

* Once all the details of the household is captured, the next step is to capture the prospect’s bank account details.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Type** | **Required Validations & Comments** |
| L2 Info | Current Address | ***Same as KYC/Manual Entry*** |  |  |  |  |
|  |  | House Number/Address Line 1 | M | yes | Text Field |  |
|  |  | Street/Address Line 1 | M | yes | Text Field |  |
|  |  | Locality/Address Line 1 | M | yes | Text Field |  |
|  |  | Landmark | M | yes | Text Field |  |
|  |  | VTC | M | yes | Text Field |  |
|  |  | District | M | yes | Dropdown |  |
|  |  | State | M | yes | Dropdown |  |
|  |  | Pin Code | M | yes | Text Field |  |
|  |  | Alternate Mobile Number | M | yes | Text Field | 10 digits |
|  |  | Current Address Proof Type | M | yes | Dropdown |  |
|  |  | Current Address Proof Image | CM | yes | Image | Required only if current address not same as KYC 2 images |
|  |  | Nature of Residence | M | yes | Radio Button |  |
|  |  | Ownership Proof Type | CM | yes | Dropdown |  |
|  |  | Ownership Proof Type Image | CM | yes | Image | Required only if nature of residence is own 2 images |
|  | Prospect Additional Details | Educational Qualification | M | yes | Dropdown | Bank's master |
|  |  | Prospect Religion | M | yes | Dropdown | Bank's master |
|  | Prospect Income | ***Primary Income*** |  |  |  |  |
|  |  | Employment Type | M | yes | Dropdown | Bank's master |
|  |  | Occupation | M | yes | Dropdown | Bank's master |
|  |  | Designation | M | yes | Dropdown | Bank's master |
|  |  | Frequency of Income | M | yes | Dropdown |  |
|  |  | Income | M | yes | Text Field |  |
|  |  | Income Proof Type | M | yes | Dropdown | Bank's master |
|  |  | Income Proof Image | M | yes | Image | 1 image |
|  |  | ***Secondary Income*** |  |  |  |  |
|  |  | ***Option to add multiple income type*** |  |  |  |  |
|  |  | Income Type | O | yes | Dropdown |  |
|  |  | Other Income Type | CM | yes | Text Field | Mandatory if secondary income type is Others |
|  |  | Frequency of Income | O | yes | Dropdown |  |
|  |  | Income | O | yes | Text Field |  |
|  |  | Income Proof Type | O | yes | Dropdown | Bank's master |
|  |  | Income Proof Image | O | yes | Image | 1 image |
|  | Household Member Info | **Add Household Members** |  |  |  |  |
|  |  | ***Option to add multiple family members*** |  |  |  |  |
|  |  | Name | M | yes | Text Field |  |
|  |  | Gender | M | yes | Radio Button |  |
|  |  | Date of Birth | M | yes | Calendar | Cannot be < 18 years and > 58 years |
|  |  | Relationship with Prospect | M | yes | Dropdown | Bank's master |
|  |  | Nominee Image | M | yes | Image | 1 image |
|  |  | ***Primary Income*** |  |  |  |  |
|  |  | Employment Type | M | yes | Dropdown | Bank's master |
|  |  | Occupation | M | yes | Dropdown | Bank's master |
|  |  | Designation | M | yes | Dropdown | Bank's master |
|  |  | Frequency of Income | M | yes | Dropdown |  |
|  |  | Income | M | yes | Text Field |  |
|  |  | Income Proof Type |  |  | Dropdown | Bank's master |
|  |  | Income Proof Image |  |  | Image | 1 image |
|  |  | ***Secondary Income*** |  |  |  |  |
|  |  | ***Option to add multiple income type*** |  |  |  |  |
|  |  | Income Type | O | yes | Dropdown |  |
|  |  | Other Income Type | CM | yes | Text Field | Mandatory if secondary income type is Others |
|  |  | Frequency of Income | O | yes | Dropdown |  |
|  |  | Income | O | yes | Text Field |  |
|  |  | Income Proof Type |  |  | Dropdown | Bank's master |
|  |  | Income Proof Image |  |  | Image | 1 image |
|  | Basic Amneties Details | Electricity | O | yes | Checkbox |  |
|  |  | Water | O | yes | Checkbox |  |
|  |  | Toilet | O | yes | Checkbox |  |
|  |  | Sewage | O | yes | Checkbox |  |
|  |  | LPG connection | O | yes | Checkbox | Bank's master |
|  | Asset Info | **Add Asset Info** |  |  |  |  |
|  |  | ***Option to add multiple Asset*** |  |  |  |  |
|  |  | Asset Category | M | yes | Dropdown |  |
|  |  | Asset Type | M | yes | Dropdown |  |
|  |  | Asset Value | M | yes | Text Field |  |
|  | Liability Info | **Add Liability Info** |  |  |  | Fetched from credit report |
|  |  | Loan Type | O | yes | Dropdown |  |
|  |  | Loan Amount | O | yes | Text Field |  |
|  |  | Disbursed Date | O | yes | Calendar |  |
|  |  | Tenure | O | yes | Text Field |  |
|  |  | Monthly EMI | O | yes | Text Field |  |
|  | Expense Info | **Add Recurring Expense Info** |  |  |  |  |
|  |  | ***Recurring Expense/Non Reccuring Expense*** |  |  |  |  |
|  |  | Expense Type | M | yes | Dropdown |  |
|  |  | Expense Value | M | yes | Text Field |  |
|  | Eligible Loan Amount | Eligible Loan Amount | M | no |  |  |
|  |  | Opted Loan Amount | M | yes |  |  |
|  |  | Customer Net Worth | M | yes | Text Field | Autocalculated based on assets and expenses |
|  | Prospect Bank Details | Account Holder Name | CM | no | Text Field | Autopopulate from prospect name |
|  |  | Account Number | M | yes | Text Field | Format validation Masked entry |
|  |  | Re-enter Account Number | M | yes | Text Field | Match with previously entered account number |
|  |  | IFS Code | M | yes | Text Field |  |
|  |  | Bank Branch Name | M | no | Text Field | Autopopulate according to IFS Code |
|  |  | Bank Branch Address | M | no | Text Field | Autopopulate according to IFS Code |
|  |  | Proof of Account | M | yes | Image | 2 image |

* The income details entered and liabilities fetched from the credit report for the prospect and the household member will be pre-populated in the application.
  + Every active loan present in the credit report must be considered while calculating the monthly EMI of the household.
    - In case a loan does not have an EMI amount, then the loan amount must be divided against the loan tenure. This will give the monthly EMI of that loan.
  + If the same loan is present in both the prospect’s and household member’s report, then consider that loan only once while calculating the monthly liability.
* System to ensure that the customer’s DBR is less than or equal to 50%. Calculation provided below

|  |  |
| --- | --- |
| **Parameters** | **Particulars** |
| Total Household Income | Max INR 3,00,000 per annum |
| DBR | 50% |
| Eligible Loan Amount Calculation | Sum of all income values (including customer's and household member's) (monthly) (A) |
| Sum of all liability values (including customer's and household member's) (monthly) (B) |
| X = (A\*50%)-B |
|  | If "X"<0, then the Prospect is not eligible for the loan |
|  | If "X">0, then the Prospect is eligible for the loan based on the loan Product and EMI offered by the Bank as outlined below |

* The prospect’s eligible loan amount will be calculated as detailed below.

Based on the X value obtained, the eligible loan amount will be :

* Based on the asset values captured, the household’s net worth will also be calculated
  + Net worth = total asset value – total liability value
* For prospects opting for the individual loan for the first time, the loan amount will be capped at INR 50,000.
* The prospect will have the choice to select from the range of eligible loan amounts. By default the highest possible loan amount will be selected.

### **PENNY DROP VERIFICATION**

* As soon as the L2 Info is captured, the penny drop check will be initiated to ensure that the captured bank account is active and belongs to the prospect.
* If active and belongs to the prospect, then the details will be shared to the ICPH as part of the first level of review.
* If not, then the RM will be able to edit the prospect’s bank account details.

### **ICPH REVIEW 1**

* All prospects who have completed their L2 Info capture will be listed for the ICPH team to verify. This will ensure that the data verification can take place in real time.
* If data correction is required, the ICPH member will inform the RM of the required edits via voice comments that is accessible for the RM. Else, the ICPH member will approve the case and allow them to move forward to the next stage.

### **L3 INFO – RESIDENCE DETAILS CAPTURE**

* For all the BM Review 1 approved prospects, the RM will visit their homes to verify their residence and capture the necessary proof and details.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Type** | **Required Validations & Comments** |
| L3 Info | Residence Details | Residence Photo | M | no | Image | 1-3 images |
|  |  | House Type | M | no | Dropdown |  |
|  |  | Duration of Stay | M | no | Calendar |  |
|  |  | Land Holding (in Acres) | M | no | Dropdown |  |
|  |  | Collection Due Date | M | yes | Radio Button |  |

### **ICPH REVIEW 2**

* All prospects who have completed their L3 Info capture will be listed for the ICPH team to verify. This will ensure that the data verification can take place in real time.
* If data correction is required, the ICPH member will inform the RM of the required edits via voice comments that is accessible for the RM. Else, the ICPH member will approve the case and allow them to move forward to the next stage for field verification.

### **FIELD VERIFICATION**

* The field verification officer (VO) will visit each prospect’s home to verify their address and residence information.
* The VO will have the option to either approve or reject a prospect.
  + If the prospect is rejected, they will no longer be eligible to proceed for the loan.
  + If the prospect is approved, they will proceed further for their loan approval process by the bank CPH team.

### **LOAN APPROVAL**

* All the field verification approved prospects will go through the loan approval process (manual/auto).
* The lender (Bank) acts as the decision maker and will have the option to either approve or reject a prospect.
  + If rejected, the prospect is sent back for data correction.

|  |  |
| --- | --- |
| **Primary Rejection Reasons** | **Secondary Rejection Reasons** |
| Customer Image | Customer image is not captured through the MiFiX application camera |
|  | Members other than the customer visible in the image |
| Current Address Proof | Address proof captured by the RM is not matching the captured current address |
|  | Address proof captured by the VO is not matching the address proof captured by the RM |
| Ownership Proof | Ownership proof captured by the RM is not matching the document provided |
|  | Ownership proof captured by the VO is not matching the ownership proof captured by the RM |
| Customer Signature | The thumb impression/signature does not have the customer's name mentioned |
| Residential Image​ | Customer image is not captured through the MiFiX application camera |
|  | Clear residence image with customer at the entrance not captured |
|  | Door to residence not open in the captured image |
|  | Members other than the customer visible in the image |
|  | Complete residence not visible in the image |
|  | Image not captured during the day |
|  | Residence image does not match the house type |
| Customer other KYC Documents | Entered other KYC number does not match the KYC number from the image |
|  | Captured image is not of the original document |
|  | Captured image is blurred |
|  | 2 separate images of the KYC missing (front and back image missing) |
|  | Captured KYC does not match with the customer |
| Household Member KYC Documents | Entered other KYC number does not match the KYC number from the image |
|  | Captured image is not of the original document |
|  | Captured image is blurred |
|  | 2 separate images of the KYC missing (front and back image missing) |
|  | Captured KYC does not match with the customer |
| Bank account proof | Captured image does not match with customer |
| Other Comments | Additional comments |

### **KEY FACT STATEMENT AND LOAN CARD CONFIRMATION**

* As soon as the prospect’s loan is approved, they will be sent an SMS with their KFS and LC documents.
* An OTP confirmation must be taken from the prospect to confirm their agreement to the terms and conditions of the loan.

### **PROSPECT DOCUMENTATION AND E-SIGNING**

* For all the prospects that have completed their KFS confirmation, the e-signing process can be initiated.
* This includes generating the loan documents and conducting an e-signing process to capture the biometric-based Aadhaar signature of all the prospects.
* Additionally, the prospect’s consent for an e-nach/UPI mandate will be captured.

### **INSURANCE**

* Once the loan documentation formalities are completed, the RM will capture the applicant and co-applicant’s consent for the insurance that is tied to the loan product along with capturing the required details of the nominee.
* The insurance premium will be auto debited from the prospect’s loan amount during the disbursal process.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **High-Level Data Category** | **Data Category** | **Data Point** | **M/O/CM** | **Editability** | **Data Type** | **Required Validations & Comments** |
| Insurance | Insurance | Insurance Provider | M | no | Text Field | Autopopulated based on the configured insurance provider |
|  |  | Type of Insurance | M | no | Dropdown | Autopopulated based on the configured insurance provider |
|  |  | Insurance Premium | M | no | Text Field | Autopopulated based on the opted loan amount |
|  |  | Applicant Mobile Number | M | yes | Text Field | Autopopulated based on the information captured in L1 Info |
|  |  | Nominee | M | yes | Dropdown | Dropdown value from the list of household members captured in L2 Info |
|  | Co-Applicant Details | Co-Applicant | M | yes | Dropdown | Dropdown value from the list of household members captured in L2 Info |
|  |  | Co-Applicant Mobile Number | M | yes | Text Field | Autopopulated based on the information captured in L2 Info |
|  |  | Co-Applicant Image | M | no | Image | Autopopulated based on the information captured in L2 Info |

### **LOAN DISBURSEMENT**

* As soon as the insurance process is completed for a prospect, their loan disbursal process will be initiated.
* If the prospect is an existing bank customer, then their CIF ID will be fetched. Else, a new CIF ID will be created for the prospect.
* A loan account will then be opened against this CIF ID.
* The opted loan amount will be transferred to the disbursement pool account provided by the bank after the deduction of the LPF, GST and documentation charges.
* From here, the insurance premium will be deducted from the loan amount and transferred to the insurance provider’s pool account.
* The remaining loan amount will then be transferred to the customer’s SB account.

### **POST DISBURSEMENT PROCESS**

#### **FOLLOW UP MEETING**

* + The RM follows up within the scheduled timeframe to ascertain the appropriate use of funds.

#### **COLLECTIONS**

* + The collection is done by the RM at the designated place and time of the prospect meeting and posting is done in the collection module of MiFiX.
  + The customer will have the ability to post the current month’s EMI amount, deposit any pending DPD amount and advance payment on the monthly EMI.
  + The MiFiX collection application is configured for both cash handover and UPI payment methods.
  + Each transaction is marked in the MiFiX collection application and is auto reconciled before the amount is deposited into the customer’s loan account within T+0 days of collection.