

DEPT.	QUESTION	ANSWER
DFD	What is the full meaning of ABP?	ABP Stands for the Anchor Borrowers Program
DFD	What is the full meaning of MSMEDF?	MSMEDEF, stands for Micro, Small and Medium Enterprise Development fund
DFD	What is the Agric Credit Guarantee Scheme Fund?	<p>The Agricultural Credit Guarantee Scheme Fund (ACGSF) was established by Decree No. 20 of 1977 to mitigate the risks of banks in agricultural lending and hence encourage them to continue to extend credit to it. It provides guarantee cover to banks who give loans to the agricultural sector of the economy.</p> <p>The Scheme guarantees 75% of all outstanding loans in case of default , and after realizing the security. The Scheme has an authorized share capital of N3 billion controlled by the Federal Government (60%) and the CBN (40%).</p> <p>The Scheme is managed by the CBN, through its Development Finance Department. The Scheme has an eight-man Board.</p>
DFD	How can you enjoy Agric Credit?	You can go to any commercial bank or Central Bank branch office in Nigeria and make enquiries there.
DFD	What do you need to benefit from Agric Credit?	You must be a farmer. You must provide collateral if your loan amount is above N20,000. The collateral must be in a tangible form or in form of 25% cash security of the intended loan amount in the form of savings.
DFD	Is the ACGSF for only big farmers?	Small farmers have benefited immensely from ACGS. This group of farmers form 90% of the beneficiaries since the inception of the Scheme.

DFD	What is the minimum loan covered under ACGSF?	N20,000.00 (twenty thousand naira) and below without collateral. For amounts higher than N20,000.00, you will need to provide collateral.
DFD	What is the process of obtaining an ACGSF loan?	A farmer intending to obtain a loan must first open account with a bank operating the Agric Credit Guarantee Scheme. You should request for the ACGS application form, complete and return to the bank. You will provide collateral for the loan amount required except where the loans do not require collateral. Finally, you will also need insurance cover from the Nigerian Agricultural Insurance Corporation (NAIC).
DFD	How can a corporate body (state or LGA) use the ACGSF Scheme to benefit its host community?	By establishing a Trust Fund with banks that will serve as the platform for lending to the host community: the Trust Fund will form part of the guarantee.
DFD	What do you need to benefit from Agric Credit?	You must be a farmer. You must provide collateral if your loan amount is above N20,000. The collateral must be in a tangible form or in form of 25% cash security of the intended loan amount in the form of savings.
DFD	What kind of collateral is acceptable for an ACGSF loan?	You can use cash in the bank, stock and shares, life insurance policies, landed property, debenture, guarantors and any other item acceptable by the lending bank.

DFD	Which agricultural activities qualify for guarantee under the ACGSF?	<p>The agricultural activities eligible for guarantee under the Scheme, include the following:</p> <p>(i) The establishment or management of the production of rubber, oil palm, cocoa, coffee, tea and similar crops;</p> <p>(ii) The cultivation or production of cereal crops, tubers, fruits of all kinds, cotton, beans, groundnuts, sheanuts, benniseed, vegetables, pineapples, banana and plantains;</p> <p>(iii) Animal husbandry viz, poultry, piggery, cattle rearing and the like, fish farming and fish capture and</p> <p>(iv) Processing in general where it is integrated with at least 50.0 per cent of farm output e.g. cassava to garri, oil palm to palm oil and kernel, groundnut to groundnut oil, etc.</p>
DFD	Will the usual lending rate apply under the ACGSF?	Under the ACGSF, farmers will borrow from lending banks including community banks at market-determined rates.
DFD	How many times can I benefit from ACGSF?	As many times as you wish provided you maintained good loan repayment record with your bank.
DFD	How easy is it to benefit from agric credit?	You will need to discuss your proposal with your bank, complete necessary application forms, and provide all the required information including things like size of your farm, project cost, your own financial commitment, expected output returns and profitability of the project.
DFD	How long can one's ACGSF loan last?	It depends on the gestation period of the agricultural activity you are engaged in.
DFD	What if you do not have collateral for an ACGSF loan?	You can still obtain a loan of N20,000.00 and below supported with a personal guarantee from a reputable person in your community or more than N20,000.00 through being a member of Self Help Group or Cooperative Society.

DFD	What are the advantages of having collateral under the ACGSF?	It means you can obtain a loan of up to N1.0 million as an individual or up to N10.0 million as a cooperative society or corporate entity.
DFD	What is the role of the Central Bank Nigeria in SMEEIS activities?	The Central Bank of Nigeria co-ordinates the activities of the Scheme through its Development Finance Department which serves as the Secretariat of the Bankers Sub-committee on SMEEIS.
DFD	What is the source of the fund of the SMEEIS?	Until 2005 universal banks (members of the Bankers' Committee) agreed to set aside 10% of their profit before Tax (PBT) annually for the Scheme. With effect from January, 2006 the amount to be set aside by the banks has been changed to 10% of their profit after Tax (PAT)
DFD	Apart from banks, are there other institutions in Nigeria that can be approached for SMEEIS intervention?	You can discuss with registered professional Fund Managers and Venture Capital Companies which are either independent institutions or subsidiaries of the banks.
DFD	How can I benefit from the SMEEIS?	<p>To be eligible for bank's investment under the Scheme, an enterprise, in addition to being a permissible activity under the Scheme, must have a maximum asset base of N500 million (excluding land and working capital), and with no lower limit of staff. In addition, the enterprise must fulfill the following:</p> <p>a. Registration as a Limited Liability Company with Corporate Affairs Commission. b. Compliance with all relevant regulations of the Company and Allied Matters Acts (1990) such as filling of annual returns, including audited financial statements. c. Compliance with all applicable tax laws and regulations and rendition of regular returns to the appropriate authorities.</p>

DFD	At what point will the investing bank pull out of the management of the business after SMEEIS intervention?	The bank has a maximum of three (3) years to remain a part owner of the business before the exit strategy as contained in the Memorandum of Understanding (MOU) binding the business relationship. However, if the other party so wishes, the equity arrangement could be renewed. The exit is by selling its shares to the original or owners of the company.
DFD	What sector of the Economy is covered under the SMEEIS?	Every legal business in every sector of the economy is qualified for adoption as a SMEEIS project with the exception of trading and financial/bank related investment.
DFD	What steps do I need to take to be considered under the SMEEIS?	a) Prepare a feasibility report, b) Prepare a 5 year business plan stating the intervention required under the SMEEIS. c) Approach any of the banks in Nigeria. d) The bank will then assess the proposals and communicate approval or otherwise to you.
DFD	What type of share-holding is acceptable under the SMEEIS by the investing banks?	The SMEEIS guidelines allow investing banks to own either ordinary or preferential shares
DFD	Where is the SMEEIS fund domiciled?	The SMEEIS fund is part of the SMEEIS Reserves of the banks.
DFD	How do I know the number of projects a participating bank has invested in?	The CBN has a register for verified and accepted projects under SMEEIS.
DFD	How do I know the total amount a bank has set aside under SMEEIS since inception?	The total amount set aside under the SMEEIS by any bank is always stated in its annual audited accounts under SMEEIS Reserve.

DFD	How is the verified SMEEIS project Register updated?	After investing in any project, the bank sends periodic returns to the Central Bank of Nigeria for verification. The CBN may accept such project after verifying that the investments comply with the SMEEIS guidelines and consequently listed as part of the SMEEIS projects. The project is rejected when the investment does not comply with the guidelines.
DFD	What is SMEEIS?	SMEEIS means Small and Medium Enterprises Equity Investment Scheme. It was initiated by the Banker's Committee at its 246th meeting held on 21st December, 1999.
DFD	What is the opportunity for micro enterprises under the SMEEIS?	The guidelines stipulate that 10% SMEEIS funds should be set aside for micro financing in the form of equity investment in microfinance banks or wholesale funds for on-lending by microfinance banks.
DFD	What are the objectives of SMEEIS?	The objectives are to: • Facilitate the flow of funds from banks for the establishment of new, viable SME projects, expansion of existing industries and rehabilitation of moribund ones; • Stimulate economic growth, • Develop local technology, • Promote indigenous entrepreneurship, • Generate employment, and • Ensure output expansion, income re-distribution and production of intermediate goods meant to strengthen inter and intra-industrial linkages
DEPT	QUESTION	ANSWER
CPD	What is the Consumer Protection Regulation(CPR)?	The CPR are set of guidelines issued by the Central Bank of Nigeria (CBN) to guide the conduct of Financial Service Providers (FSP) to engender consumer protection and confidence in their relationship with their customers.

CPD	What are the objectives of the Consumer Protection Regulation (CPR)?	The broad objective of the CPR is to protect consumers against unfair and unethical practices by FSP.
CPD	Which FSP does the CPR apply to?	CPR applies to all financial institution licensed and or regulated by the Central Bank of Nigeria (CBN) which include banks, micro finance banks, primary mortgage banks, finance companies etc.
CPD	Are financial services accessible to all consumers?	Yes, basic financial services are accessible to all consumers who meet the minimum requirements irrespective of their social status and physical ability etc.
CPD	What are basic financial services?	These are savings, deposits and transfers.
CPD	How are lending fees applied on term loans?	Lending fees can only be applied on disbursed amount of a loan.
CPD	Can FSP overdraw my account due to charges and fees that are not related to a credit facility?	No, FSP can only charge non-credit related fees to the extent of the credit balance in an account; while the balance of such fees can be charged when the account is funded.
CPD	Can FSP change terms and conditions of a contract after execution?	FSP can only change the terms and conditions of a contract if the possibility of such change(s) or variation(s) had been expressly stated in the contract.
CPD	How long do FSP have to respond to a request or enquiry by a customer?	Requests or enquiries should be responded to within Five (5) working days.
CPD	How long do FSP have to communicate a decision on application for waivers, extension and other concessions to a customer?	FSP have to communicate decisions within ten (10) working days failing which the customer application would be deemed have been granted.
CPD	Can FSP withhold customers fund to secure a loan repayment before its due date?	No, except with a written authorization of the customer.
CPD	Can FSP charge early liquidation fee for loans granted to individuals and Small and Medium Enterprises?	No. except if the loans have a fixed interest rate (i.e. interest rates that are not subject to variations)
CPD	What is meant by Unfair Contract Terms?	These are terms that are detrimental to the consumer by creating imbalances in the rights and obligations of the consumer under the contract.
CPD	Are unfair contract terms binding on the consumer?	No.

CPD	Are contract terms that conflict with laws and regulations binding on consumers?	No.
CPD	Are FSP required to provide oral explanation of documents issued to consumers?	Yes, at the consumer's request or where it is obvious that the consumer requires such explanation e.g. a visually impaired or illiterate consumer
CPD	Are FSP required to disclose terms and conditions of transaction agreements?	Yes. In addition, FSP should disclose features, fees and other associated charges of their products and services.
CPD	What channels should FSP use for correspondence with consumers?	The communication channels for all correspondences should be agreed with the consumer and disclosed in all contract documents.
CPD	Can FSP charge rates and fees different from what is disclosed at the engagement point?	No, FSP should comply with the rate, fees and charges published at their engagement point.
CPD	Can FSP charge customers for advertisement notifications?	No. In addition, FSP should provide consumers with an option to opt out from receiving advertisement and marketing materials.
CPD	What is Total Cost of a loan?	Total cost of loan is made up of total interest to be paid throughout the duration of the loan, other fees and charges by the FSP and third-party charges where applicable
CPD	How can a consumer know the total cost of a loan before signing the loan contract?	FSP should provide a Key Fact Statement that will disclose the total cost of the loan.
CPD	Can a consumer be given time to review a contract before signing?	Yes, FSP should allow consumers two (2) days to review a draft contract from the date of receipt.
CPD	Can a consumer cancel a contract after signing?	Yes, a consumer has a cooling-off period of three (3) days after signing a contract within which to cancel the contract at no cost. However, this is only applicable to a credit contract.
CPD	Are FSP required to provide monthly statements of account for all products and services?	Yes, FSP should provide monthly statements for all accounts including loans, deposits etc.
CPD	Are FSP required to notify consumers of changes in interest rates before implementation.	Yes. FSP should notify consumers ten (10) days for banks and five (5) days for other financial institutions before implementing the change. Other financial institutions should notify consumers within one (1) day of default that default charge would be applied on their accounts after three (3) days from the repayment due date.

CPD	Are FSP required to notify consumers before applying default charge for none payment of loan obligation?	Yes. Banks should notify consumers within three (3) days of default that default charge would be applied on their accounts after seven (7) days from the repayment due date.
CPD	How would the customer know the default amount charged?	FSP should disclose default charges separate from the normal interest charge in the customer's statement of account.
CPD	How would a customer know the amount he would be repaying for term loans as well as the due date?	FSP should provide customers with a loan repayment schedule, that would disclose the amounts to be repaid by the customer and the due date for each repayment/installment.
CPD	Can a FSP compel consumers to buy an insurance product from a specific Insurance company before a loan is granted?	No. FSP should provide consumer with at least three (3) insurance providers to choose from.
CPD	As a guarantor how can I monitor the performance of a loan I guaranteed?	FSP should provide guarantors with periodic updates on loan status they guaranteed to enable them to assess the likelihood of being called upon to repay.
CPD	Are FSP required to notify consumers when they fully repay their loans?	Yes, FSP should issue a Letter of Discharge to customers who have finished repaying their loans within five days from the date of their final repayment.
CPD	Are FSP required to provide reasons for declining a loan request?	Yes, FSP should notify consumers when their loan requests are declined. However, the reason for the decline can be provided on request.
CPD	Can FSP transfer consumers personal data to a third party without their authorization?	No. Except in compliance with a legal obligation.
CPD	Whose responsibility is it to protect consumer data?	FSP should protect the privacy and confidentiality of a consumer information. However, consumer also have a responsibility to protect their data and other banking instruments by not disclosing them to unauthorised persons.
CPD	What happens if I don't repay my loan?	It will affect your credit history * Default charges can be applied on your account, thus increasing your indebtedness . The FSP can sell off the asset used as a collateral for the loan to recover outstanding loan balance (i.e. foreclosure)
CPD	Can FSP foreclose without notifying the customer?	No. FSP should notify the customer before foreclosure. In addition, customers should be given the option to sell off the asset within thirty (30) days, except if the customer waives the option.

CPD	Can FSP contact a friend, family or employer of the customer for repayment of the customer's loan?	No. Only if the person has guaranteed the loan.
CPD	How will the proceed of foreclosure be utilised?	Proceeds of sale of the collateral should be immediately applied to the loan account and customers provided with a report of the sale which should disclose the process, proceeds, incidental expenses and the balance.
CPD	Where would consumers lodge their complaints when dissatisfied with a product or service?	Consumers should first lodge complaints with their FSP using any of the channels provided by the FSP e.g. phone calls, emails, formal letter etc.
CPD	What happens if consumers are not satisfied with the decision of their FSP?	Consumers can escalate their complaints to the Central Bank of Nigeria.
CPD	Are FSP required to acknowledge complaint?	Yes, FSP should acknowledge and issue a unique identification number for all complaints to their customers within 24hours.
CPD	How do customers report time sensitive issues such as fraud or compromise of confidential information to their FSP for immediate intervention?	FSP should provide emergency channels e.g. fraud hot lines for reporting such issues. Customers should familiarise themselves with the emergency numbers provided.
CPD	Should FSP provide a report after resolving my complaint?	Yes. FSP should provide a Summary Resolution Communication (SRC) for resolved complaints to consumers within 24hours. The SRC should state the FSP basis for their decision, an option for the consumer to call for a second level review of their complaints and the right of escalation to the CBN or other Alternative Dispute Resolution avenues.
CPD	What would a consumer do when he/she is not satisfied with a FSP decision?	The consumer has thirty (30) days to request for another review of the complaint by the FSP.
CPD	What happens if the customer is still not satisfied after the second review of the complaint?	The customer has 90 days from the date of the FSP first decision to escalate the complaint to the CBN.
CPD	Are there other reasons why a customer can escalate a complaint to the CBN before receiving a decision from the FSP?	Yes. If the FSP failed to acknowledge the customer complaints within 3 days.

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