**31. Microfinance**

**Abstract:**

Microfinance has become a mainstream instrument for providing access to formal financial services for vulnerable sections of people. The power of people participation through the PCO/CSC(Customer Service Centers) booths has been harnessed successfully on a large scale with significant benefits. Microfinance is banking the unbankables, bringing credit, savings and other essential financial services within the reach of. Millions of people who are too poor to be served by regular banks, in most cases because they are unable to offer sufficient collateral. In general, banks are for people with money, not for people without.” To provide users a way to use their local PCO/CSC booths to perform micro-finance banking away from the physical bank To provide banks an effective way to interact with 1. Bank administrators to manage customers. 2. Bank managers to evaluate individual’s performances and assistance required. To provide users a way to use their local PCO/CSC booths to perform micro-finance banking away from the physical bank through online.

**Existing System:**

Microfinance is the provision of financial services to low-income clients or solidarity lending groups including consumers and the self-employed, who traditionally lack access to banking and related services. Microfinance is a broad category of services, which includes microcredit. Microcredit is provision of credit services to poor clients. Although microcredit is one of the aspects of microfinance, conflation of the two terms is endemic in public discourse. Critics often attack microcredit while referring to it indiscriminately as either 'microcredit' or 'microfinance'. Due to the broad range of microfinance services, it is difficult to assess impact, and very few studies have tried to assess its full impact.

**Proposed System:**

in the proposed system we are developing a online micro finance portal to manage the Bank microfinance customers with bank accounts, passbooks and photo identification. Bank administrators to manage customers. It serves as a bridge between ’social investors’ and people who need small amounts of money to improve their business and financial position. For your investment, you stand to earn 3.5% per annum. Of course, this is not guaranteed since the money is being lent to low income households and the probability of default could be high. Having said that, it is interesting to see from their statistics that 100% of the loans have been paid back so far.

**Modules:**

**User**

Secure identification. Identification of anyone assisting the user in using the application. History of loans, repayments, future options. Opportunities in the domain of the user’s operation or expertise. Roadmap for financing and returns on effort invested.

**Administrator**

Details of financed individual. Relevant history of funds utilization. History of repayments and other borrowing behavior. Brief and relevant history of kinds of transactions conducted. List of possible assistance from bank / institution. Assistance for profession related matters of customer / user ,Planning future activities.

**Manager:**

Most productive investments. Assistance to be provided to these individuals. Most productive loans administrators. Government support available in users’ domains.