MiFiX

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FUNCTIONAL SPECIFICATION DOCUMENT

MiFiX APP TRAINING OVERVIEW

MiFiX/CAPGENAI/MIFIXAPPTRAINING/v1.0

EDITED FOR CAPRIA VENTURES REFERENCE

Overview:

In use currently by RM/FOs employed in Shecommerz is the MiFiX application, handling all customer onboarding. The app handles all data input across L1, L2 and L3 stages (detailed below) for customer approval through New Street Tech. Currently, in order to train the FO/RMs, various training mediums are used, mainly videos and PDFs. This document provides both a high-level overview of what happens at each aforementioned stage, along with how the FO/RM inputs data and the measures he has to undertake to ensure accurate data capture. This document achieves this by representing and transcribing various training multimedia in employ by Shecommerz' training team.

L1, L2, L3 Application Requirements for Bank's JLG Loans:

The sources, comprising audio training materials in Hindi and Kannada, provide a detailed overview of Bank's JLG loan application process through the MiFiX mobile application. They outline the specific requirements and steps involved in capturing and submitting customer information for loan consideration.

Technical Requirements:

Before initiating the application process, ensure the following technical prerequisites are met:

- **Mobile Device:** The MiFiX application is designed for Android phones running version 10 or above.

- **Required Apps:** Both the Mantra and Legality Helper applications must be installed on the mobile device. These apps are essential for the MiFiX application to function correctly.

User Authentication:

Field Officers (FOs) require specific credentials to access the MiFiX application:

- **Unique User ID:** A unique user ID is generated for each FO and communicated by their regional head.

- **Password:** An initial password is provided along with the user ID. Upon first login, the FO **must** reset the password, ensuring it includes a combination of capital letters, special characters, and numbers.

Application Stages and Data Requirements:

The application process is structured in distinct stages (L1, L2, and L3) within the MiFiX application. Each stage requires the FO to capture specific customer information, including:

L1: Applicant Details:

- **Basic Information:**
  - Applicant's full name
  - Date of birth
  - Gender
  - Father's name
  - Photograph (pre-populated from Aadhaar eKYC)

- **Additional Information (to be entered manually):**
  - Mother's name
  - Religion
  - Marital status
  - Educational qualifications

L2: Household Details:

- **Nominee Information (for married applicants):**
  - Nominee's KYC details (Aadhaar number, Voter ID, etc.)
  - Nominee's relationship with the applicant (spouse, mother, etc.)
  - Nominee's live photograph
  - Nominee's primary income details (if applicable)

- **Customer Income:**
  - Employment type (housewife, salaried, self-employed). Ensure consistency between employment type and occupation if the applicant is a housewife.
  - Occupation
  - Monthly income (must be under 25,000 per month and 3 lakhs annually)

- **Other Household Information:**
  - Details of assets owned by the applicant, such as vehicles.
  - Details of any existing liabilities (loans), including the loan type, outstanding amount, and EMI amount.
  - Monthly expenses (mandatory information, and the amount must be less than the reported monthly income)

L3: Bank Details:

- **Account Holder's Name:** Name as it appears on the bank account.

- **Account Number:** Applicant's bank account number.

- **IFSC Code:** The IFSC code of the applicant's bank branch. The application automatically fetches the branch name and address upon entering the IFSC code.

- **Bank Passbook Photographs:** Clear photographs of the first and second pages of the applicant's bank passbook.

Photograph Requirements:

- **Live Photos:** All photographs must be taken live within the application. Avoid using pre-existing pictures.

- **Clarity and Composition:** Ensure all photographs are clear, well-lit, and feature a plain background. The subject should be the only person in the frame.

- **Passport Size:** Capture photographs in passport size. Do not zoom in excessively.

- **Retakes:** If a photo is blurry or unclear, use the delete option to retake it.

Group Formation Requirements:

After successfully completing L1, L2, and L3, eligible applicants are grouped together for loan consideration. The sources specify these group formation requirements:

- **Minimum Group Size:** A minimum of four customers are required to form a group.

- **Maximum Group Size:** The initial maximum is seven customers per group. This can be increased to ten after approval from the business team.

- **Group Head:** A responsible individual from the group is designated as the group head.

- **Local Area:** The group is assigned to a specific local area or village based on the group head's KYC address and PIN code.

Verification Process and Requirements:

Once the FO submits the group information, the application moves to the Verification Officer (VO). The VO's responsibilities include:

- **Data Verification:** Thoroughly review all data entered by the FO, including personal details, income details, and bank information. Verify the accuracy and consistency of the information and check the clarity of all uploaded photos.

- **Field Verification:** Conduct field visits to verify the applicant's address, meet the applicant in person, and capture additional photographs of the applicant and their residence.

- **Penny Drop Verification:** A small amount is transferred to the applicant's bank account to verify the accuracy of the provided bank details.

- **Final Decision:** Based on the verification checks, the VO approves or rejects the application. Rejected applications are returned to the FO with reasons for rejection, allowing the FO to make corrections and resubmit.

Additional Notes:

- **Application Updates:** The MiFiX application allows for editing both customer and group details. This feature is crucial for addressing errors or omissions identified during the verification process.

- **Loan Approval:** While the sources detail the application and verification stages, they don't explicitly cover the internal loan approval process within the bank.

By adhering to these application requirements, FOs can ensure the accurate and efficient processing of JLG loan applications. This meticulous approach to data capture and verification strengthens the foundation of Bank's JLG lending program, contributing to responsible and sustainable lending practices.

Customer KYC in Bank's JLG Loan Application

The sources, which are audio training materials in Hindi and Kannada for Bank's Field Officers (FO), detail the customer KYC process within the MiFiX version 2.0 mobile application used for JLG loan applications. KYC (Know Your Customer) regulations are crucial for financial institutions to verify the identity of their customers and prevent financial crimes like money laundering.

Biometric KYC:

The MiFiX application allows FOs to perform biometric KYC by selecting the biometric option and then 'Perform KYC'. Once the customer's Aadhaar number is entered, the application automatically fetches and updates the customer's details from the Aadhaar database.

Pre-populated Details:

The following details are pre-populated from Aadhaar eKYC and cannot be edited:

- Customer Name

- Date of Birth (DOB)

- Gender

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- Address details

- Photograph

Manual Data Entry and Verification:

While Aadhaar eKYC simplifies data collection, the sources highlight several crucial details that FOs **must** manually verify and enter, ensuring data accuracy and completeness:

- **Father's Name:** While fetched from Aadhaar, the FO must confirm its accuracy with the customer.

- **Marital Status:** This is crucial, as it influences loan eligibility. Single customers must be 30 years or older to be eligible.

- **Mobile Number:** The FO must enter the customer's valid and currently active mobile number. This number is used for communication, insurance purposes, and OTP verification. Emphasize that using a neighbour's or any other number is strictly prohibited.

- **Landmark:** This detail is absent in Aadhaar eKYC data. The FO must manually enter a prominent landmark near the customer's current address. This is **mandatory** for the current address, even if the customer resides at the Aadhaar-registered address.

- **PAN Card:** If the customer possesses a PAN card, the FO must select 'Yes' and capture clear photos of the front and back of the card. It is **essential** to verify if the PAN and Aadhaar are linked before capturing the PAN details. Unlinked cards can lead to application issues later in the process. If the customer does not have a PAN card, select 'No'.

- **Other KYC Documents:** The FO can optionally capture details of other KYC documents, including:

  o Voter ID

  o Driving License

  o Passport

- **Photographs:** The FO must capture live photographs of the customer and their KYC documents. All photos must be clear, with a plain background, and the subject should be the only person in the frame. The sources emphasize using passport-size photos and avoiding excessive zoom.

- **Nominee Details (For Married Applicants):**

  o Capture the nominee's KYC details and relationship with the applicant.

- o   Take a live photo of the nominee.

- o   Capture nominee's income details if they have a primary source of income.

Ensuring Data Accuracy:

The sources stress the importance of data accuracy and provide guidance for FOs:

- **Blue Tick Mark:** A blue tick mark appears beside each section once all required details are filled in. This visual indicator helps ensure no data points are missed.

- **Error Highlighting:** If any mandatory details are missing, the application highlights the missed field in red. This prompts the FO to rectify the omission.

- **Review and Edit:** The MiFiX application allows editing of both customer and group details. This functionality enables the FO to rectify errors or update information even after initial submission.

Significance of Accurate KYC:

Accurate KYC information is paramount for the following reasons:

- **Insurance:** The entered mobile number is crucial for insurance processing and communication.

- **Credit Evaluation:** Inaccurate information, particularly regarding liabilities, can negatively impact the credit evaluation process and lead to application rejection.

- **Verification Issues:** Discrepancies between submitted information and verification findings can cause delays and application rejections.

- **Smooth Processing:** Accurate KYC ensures the smooth flow of the application through subsequent stages of verification and loan processing.

The sources underscore the importance of due diligence during the KYC process. They emphasize that meticulous data capture, verification, and adherence to photo quality standards are crucial for the successful processing of JLG loan applications. This commitment to accuracy strengthens the integrity of Bank's lending operations and contributes to a more robust and trustworthy financial ecosystem.

The JLG Loan Process in Bank's MiFiX Application

The sources, audio training materials in Hindi and Kannada for Bank's Field Officers (FOs), offer a comprehensive guide to the loan process for Joint Liability Group (JLG) loans using the MiFiX version 2.0 mobile application. They outline the key steps and requirements involved from initial data capture to group formation and the subsequent verification process.

Stages of the Loan Process:

The loan process within MiFiX is structured into distinct stages, each with specific data requirements and actions to be performed by the FO.

1. L1: Applicant Details

This stage involves capturing the basic information of the prospective borrower, such as their name, DOB, gender, and father's name. It also requires the FO to manually enter additional details like the applicant's mother's name, religion, marital status, and educational qualifications. This information forms the foundation of the application and helps assess initial eligibility.

2. L2: Household Details

- **Nominee Details:** For married applicants, the FO must capture nominee details, including their KYC information, relationship to the applicant, and a live photograph. If the nominee has an income, that information should also be captured.

- **Customer Income:** The FO must accurately record the applicant's employment type, occupation, and monthly income. This information is crucial for determining loan eligibility and the appropriate loan amount.

- **Other Household Information:** The sources mention the need to capture "Basic Details" in this stage, but they lack specifics. The FO also needs to collect details of assets owned by the applicant, such as vehicles, and any existing liabilities (loans), including the loan type, outstanding amount, and EMI amount. This information helps evaluate the applicant's financial capacity.

- **Monthly Expenses:** Capturing the applicant's monthly expenses is **mandatory**. This information, along with their income, helps assess their ability to repay the loan. The sources stress that the reported expenses should be less than the stated monthly income.

3. L3: Bank Details

This stage focuses on capturing the applicant's bank details, including the account holder's name as it appears on the bank account, the account number, and the IFSC code. The MiFiX application automatically fetches the bank branch name and address upon entering the IFSC code. The FO must also capture clear photographs of the first and second pages of the applicant's bank passbook. This information is vital for disbursing the loan and verifying the account's active status.

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Group Formation:

After completing the individual applicant details (L1, L2, and L3), eligible applicants are grouped for loan consideration. The sources highlight the following group formation requirements:

- **Minimum and Maximum Group Size:** Initially, a group should have a minimum of four members and a maximum of seven. However, after receiving approval from the business team, groups can include up to ten members.

- **Group Head:** Each group must have a designated group head, a responsible individual who serves as the primary contact point.

- **Local Area:** Groups are formed based on geographic proximity, usually within the same village or local area, determined by the group head's KYC address and PIN code.

Verification Process:

Once the FO submits the group information, the application proceeds to the Verification Officer (VO). The VO plays a critical role in ensuring data accuracy and conducting necessary checks before loan approval. Their key responsibilities include:

- **Data Verification:** The VO reviews all data entered by the FO, verifying its accuracy and consistency. This includes checking personal information, income details, bank information, and the clarity of uploaded photographs.

- **Field Verification:** The VO conducts field visits to verify the applicant's address. During this visit, the VO meets the applicant in person and captures photographs of the applicant and their residence. This step confirms the applicant's existence and the validity of their address.

- **Penny Drop Verification:** A small amount is transferred to the applicant's bank account to validate the provided account details. This ensures the account is active and belongs to the applicant.

- **Final Decision:** Based on the verification checks, the VO makes the final decision to approve or reject the loan application. Rejected applications are returned to the FO with specific reasons, allowing the FO to make corrections and resubmit.

Loan Approval and Disbursement:

- The sources primarily focus on the application and verification stages, without providing explicit details about the internal loan approval process within the bank.

- Once the VO approves an application, it likely undergoes further review and approval processes within the bank's systems. This could involve credit scoring, risk assessment, and final approval by a designated authority.

- After the loan receives final approval, the funds are disbursed to the applicant's bank account as captured in the MiFiX application.

Additional Points:

- **Application Updates:** The MiFiX application allows the FO to edit customer and group details, providing flexibility to rectify errors or update information after initial submission. This is particularly useful when addressing issues identified during the verification process.

- **Emphasis on Accuracy:** The sources consistently emphasize the importance of accurate data entry, thorough verification, and adherence to photograph quality standards. This meticulous approach is crucial for the successful processing of applications, minimizes errors, and ensures responsible lending practices.

- **Transparency and Communication:** The sources suggest a system of clear communication between the FO and VO, particularly during the rejection and resubmission process. This transparent workflow facilitates smooth processing and prompt resolution of application issues.

Conclusion:

The MiFiX application plays a central role in streamlining Bank's JLG loan process. By outlining the key stages, data requirements, and verification procedures, the sources provide valuable insights into the bank's efforts to make JLG lending accessible, efficient, and secure. This well-defined process ensures that loan applications are thoroughly vetted, minimizing risks and contributing to the sustainability of the bank's JLG lending portfolio.

Detailed Look: Group Creation in Bank's JLG Loan Process

The sources, audio training materials for Bank's Field Officers (FOs), outline the process of creating Joint Liability Groups (JLGs) within the MiFiX version 2.0 mobile application. JLGs are a common lending model for microfinance institutions, where a small group of borrowers collectively guarantees the loan repayment, reducing the bank's risk and providing access to credit for individuals who might lack individual collateral or credit history.

Key Steps in Group Creation:

1. Eligibility Check:

- The FO must first ensure that individual applicants have completed all three stages of the loan application process:

  - L1 - Applicant Details

  - L2 - Household Details

  - L3 - Bank Details

- Only applicants who have successfully cleared these stages and are deemed eligible are available for group formation.

2. Group Formation Interface:

- The MiFiX application features a dedicated section for "Create Group" where the FO can form new JLGs.

- A list of eligible applicants from the same local area, typically the same village, is displayed.

3. Adding Group Members:

- The FO selects members from the list to include in the group.

- The "Add Members" feature allows the FO to add more members to the group if needed.

4. Setting Group Size:

- **Initial Limits:** The FO is initially restricted to forming groups with a minimum of four members and a maximum of seven.

- **Business Team Approval for Larger Groups:** To create groups larger than seven members, the FO needs to obtain prior approval from the business team. After receiving approval, the FO can form groups with up to ten members.

5. Removing Members:

- The application provides flexibility to remove members from a group during the creation process. The FO can use the "Delete" button to remove a selected member if necessary.

6. Designating the Group Head:

- The FO must select one member of the group to be the "Group Head".

- The group head's contact information is crucial as it's used for communication and verification purposes.

- The group head's KYC address is also significant as it determines the local area for group formation and subsequent collection activities.

7. Selecting the Local Area (VTC):

- The FO must select the specific local area, referred to as "VTC" (Village Trading Centre), where the group operates.

- This selection impacts the sourcing and collection efforts of the FO.

- The group name is often automatically populated based on the selected village.

8. Saving and Submitting the Group:

- Once the FO has finalized the group members, group head, and local area, they save the group details within the MiFiX application.

- The system generates a unique group name and ID.

- Upon submission, the application sends the group information to the next stage in the loan process, which is the Verification Officer (VO) stage.

9. Communication with Group Head:

- The MiFiX application provides a "Contact Number" feature. When the FO clicks on this, it directly calls the selected customer, enabling direct communication. This feature is useful for confirming details with the group head or other members.

- After group creation, the system generates a unique PIN code associated with the group head's KYC details. The FO is responsible for communicating this PIN code to the group head. However, the purpose of this PIN code is not explicitly explained in the sources.

Importance of Group Formation:

- **Risk Mitigation:** By forming groups of borrowers who collectively guarantee repayment, the bank mitigates its risk exposure.

- **Financial Inclusion:** JLGs provide access to financial services for individuals who might not qualify for individual loans due to a lack of collateral or credit history.

- **Social Collateral:** The social pressure within a JLG encourages timely repayment as members are accountable to each other.

- **Simplified Collection:** The group structure facilitates streamlined collection efforts as the FO can interact with the group head, reducing the need for individual follow-ups.

Benefits of Group Formation:

- **Enhanced Loan Accessibility:** JLGs allow individuals who might lack the necessary collateral or credit history to access loans collectively, expanding financial inclusion.

- **Shared Responsibility:** Group members collectively guarantee each other's loans, incentivizing timely repayment and fostering financial discipline.

- **Simplified Loan Management:** Bank can manage loans more efficiently by disbursing and collecting repayments at the group level.

- **Community Building:** The group structure promotes trust and collaboration among members, contributing to community development.

The sources highlight the crucial role of the FO in forming JLGs within the MiFiX application. By meticulously following the outlined steps, the FO ensures the accuracy of group information and sets the foundation for a successful loan process.

Field Verification in the MiFiX 3.0 Loan Process

The sources, Hindi and Kannada audio guides for Bank Field Officers (FOs), highlight the crucial role of Field Verification in the JLG loan process facilitated through the MiFiX 3.0 application. Field Verification typically takes place after the initial data collection by FOs and group formation. It involves on-ground checks by dedicated Field Verification Officers (FVOs) to validate the information provided by applicants and assess their eligibility for loans.

Purpose of Field Verification:

Field Verification serves multiple purposes, including:

- **Validating Applicant Information:** FVOs visit the applicants' residences or workplaces to verify the accuracy of the information captured in the MiFiX 3.0 application, including personal details, addresses, income sources, and other relevant data points.

- **Confirming Group Dynamics:** For JLG loans, FVOs assess the cohesiveness and legitimacy of the formed groups. They ensure that the members genuinely know each other, have a shared understanding of the loan terms and responsibilities, and are committed to mutual support.

- **Assessing Loan Purpose:** FVOs inquire about the intended use of the loan funds. They ensure that the loan purpose aligns with the bank's policies and supports productive activities or essential needs.

- **Detecting Fraudulent Activities:** Field Verification helps in identifying any potential red flags or inconsistencies that might indicate fraudulent intentions or misrepresentation of information.

- **Mitigating Risk:** By independently validating the information and assessing the applicants' credibility, Field Verification significantly reduces the risk of loan defaults and financial losses for the bank.

Activities During Field Verification:

The sources provide insights into some of the activities conducted by FVOs during the Field Verification process:

- **Site Visits:** FVOs physically visit the locations provided by the applicants, confirming their residences, workplaces, or business establishments.

- **Identity Verification:** FVOs verify the applicants' identities by checking their official documents, such as Aadhaar cards, voter IDs, or driving licenses. They may also capture photographs of the applicants during the verification process.

- **Interviews:** FVOs conduct interviews with the applicants and their family members or neighbours to gather additional information and gain insights into their financial situation, character, and repayment capacity.

- **Document Verification:** FVOs scrutinise the documents submitted by the applicants, such as income proof, address proof, and bank statements, to ensure their authenticity and consistency with the information provided in the MiFiX 3.0 app.

- **Group Observation:** For JLG loans, FVOs observe the group's interactions and dynamics, noting any signs of conflict, mistrust, or coercion that might raise concerns about the group's stability and sustainability.

- **Photography:** FVOs may capture photographs of the applicants, their homes or workplaces, and relevant documents as evidence of their visit and findings. These photos can be uploaded to the MiFiX 3.0 app for record-keeping and further review.

Outcomes of Field Verification:

Based on their findings, FVOs submit their recommendations through the MiFiX 3.0 application. These recommendations can lead to several outcomes:

- **Group/Applicant Approval:** If the FVOs find the information and documents to be satisfactory and the group dynamics to be positive, they recommend approval of the loan application.

- **Conditional Approval:** The FVOs might recommend conditional approval, requiring applicants to provide additional documentation or clarifications before the loan can be disbursed.

- **Rejection:** If the FVOs uncover significant discrepancies, identify red flags, or determine the applicant or group to be ineligible, they recommend rejecting the loan application.

KYC Details in MiFiX 3.0: A Multi-Stage Verification Process for Secure Lending

The sources, audio training materials for Bank Field Officers (FOs) in Hindi and Kannada, provide detailed instructions on collecting and verifying Know Your Customer (KYC) details within the MiFiX 3.0 application. KYC is a critical component of responsible lending, ensuring that the bank accurately identifies its customers and mitigates risks associated with financial crime. MiFiX 3.0 appears to streamline the KYC process, integrating various stages of verification to enhance security and compliance.

- system also provides details such as the group name, a unique group number, and the PIN code associated with the group head's KYC details. This information is essential for future reference and tracking the group's loan application progress.

The sources emphasise the role of careful data entry, validation, and adherence to group parameters during group creation. This meticulous approach ensures accuracy, facilitates smoother loan processing, and reduces potential rejections during the verification process.