

Frequently Asked Questions – Fashaa Madhadhu

1. Who is this loan targeted for?

- This loan is targeted at:
 - **Women entrepreneurs** who have difficulty obtaining financing from banks due to not maintaining or routing their business income through a bank.
 - **Women entrepreneurs** whose annual business revenue does not exceed MVR1.0 million Rufiyaa.

2. Is this loan only for start-up businesses?

- This loan targets start-ups and existing businesses owned and operated by **women**.

3. Do I need to have an additional income to apply for this loan?

- **Additional income is required only for start-up businesses.** The purpose of additional income is to confirm the borrower's ability to make monthly interest payments during the grace period.
- If the primary borrower has no verifiable additional income, a co-borrower with a verifiable income can be added to proceed under this product.

4. If I have an operational business, what documents can I provide as proof that it has been operational for more than six months?

- To demonstrate experience, you may submit stock purchase invoices received from suppliers for which payments are reflected in your bank statement, relevant contracts, or letters of reference, in addition to a bank statement showing payment transactions.
- You may submit a letter from your local council to demonstrate engagement in business activity or the relevant field.

5. Do you have any restricted business activities?

- SDFC's current restrictions will apply to this product as well.

Current restricted business activities are.

- Start-up Construction, Retail and Wholesale, Café/Restaurant, Catering, Fuel business activities.
- Start-up and existing Real Estate business activities

6. Is any equity investment required for this loan?

- No, however, any additional expenses that may not be covered by the loan amount must be borne by the borrower.

7. What is the application submission period?

- **Submissions will be open from 3rd March 2024 to 30th April 2024**
- Applications will not be processed during this period.
 - Submitted applications will only be reviewed during this period for the purpose of document completion.

8. How do I submit the application?

- Application must be submitted online via our customer portal <https://portal.sdfc.mv/login>
- Applications **can only be submitted through the eFaas accounts of female individuals**, including those representing companies and partnerships.

9. How long is the process expected to take?

- After the application submission deadline has passed on 30th April 2024, **we will commence the review and verification process for all submissions by visiting applicants in person to confirm business operations, field involvement, and project feasibility.**
- The application will be accepted upon completion of the review and verification process, after which credit evaluation will commence, which is expected to take 4-5 weeks from acceptance and document completion date.
- Applications submitted with incomplete, incorrect, or insufficient documents, the process may take longer than expected.

10. When is a co-borrower required?

- If the primary borrower is or will be 65 years old during the loan tenure.
- If the income of the primary borrower is not verified

11. Is it necessary for the co-borrower to have a verified income?

- The co-borrower must have a verifiable income routed through their bank account for the past six months.

12. Does my business have to be registered to apply for this loan?

- A registered business is not required. However, you will be conditioned to register the business upon loan approval. The business registration process must be completed to receive the disbursement.

13. Am I eligible to apply for this product more than once?

- Each individual can max. 01 facility under this product (either as a main applicant or a co-borrower)
- An individual cannot act as both a borrower and a co-borrower simultaneously.
- However, if an existing facility was closed after the full settlement of the loan, another facility can be availed by the individual.

14. Are there any formalities that need to be completed upon loan approval before the disbursement of funds?

- Completion of the basic financial literacy online program via our website
- Direct debit authorization
- Completion of conditions prior to disbursement (CP)

15. Are there any processing fees that need to be paid?

A processing fee of 1.25% of the approved limit will be charged for all applications. (A minimum of MVR300.)

16. Do you disburse the funds directly to the borrower?

- Disbursements will be made to the borrower or suppliers based on the project, which will be decided during the evaluation stage.
- Borrowers must ensure that the disbursed funds are used for the purpose allocated in the loan terms.

17. Do I have to make payments during the grace period?

- Yes, you will be required to make interest payments during the grace period.

18. How do we make monthly repayments?

- The repayment amount will be deducted from your bank account through a direct debit process via the primary bank account details provided on the application form.

19. Can I apply for this loan if I have taken loans from other banks?

- Yes, however, your application can proceed only if you have serviced your monthly loan payments on time for the past 12 months at the time of application. (*applicable for co-borrowers as well*)

20. What is the difference between 'Fashaa Madhadhu' and 'Fashaa Madhadhu Leasing'?

Fashaa Madhadhu	Fashaa Madhadhu Leasing
Applicable only to women entrepreneurs	
Customers who have not started to operate their business are eligible for Fashaa Madhadhu.	Only customers operating their business for at least 6 months are eligible for Fashaa Madhadhu Leasing.
The facility can be utilized towards <u>working capital or purchasing fixed assets/project completion.</u>	The facility can only be used towards the purchase of <u>fixed assets</u> from SDFC-approved vendors.