

CREDIT POLICY NOTE

PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)

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Version 1.0

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Background

PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) is Central Government's scheme fully funded by Ministry of Housing & Urban Affairs (MoHUA). SIDBI is the implementing agency for the program & 50 lakh SVs are expected to be covered in the scheme up to March 31, 2022.

The scheme is introduced to provide working capital loan up to INR 10,000 to all the street vendors (SVs) operating in urban areas who have been adversely impacted by COVID-19 outbreak so that they can resume their business. The scheme also envisages to provide incentive for the regular payment & also encourage digital transactions by these SVs by giving cashback awards.

The scheme is available for beneficiaries belonging to only those states/UTs which have notified rules and schemes under Street Vendors (Protection and Livelihood and Regulation of Street Vending Act, 2014). Beneficiaries from Meghalaya, which has its own State Street Vendors Act may, however, participate.

Definition of Street Vendor:

Any person engaged in vending of articles, goods, wares, food items or merchandise of daily use or offering services to the public in a street, footpath, pavement etc., from a temporary built up structure or by moving from place to place. The goods supplied by them include vegetables, fruits, ready-to-eat street food, tea, *pakodas*, breads, eggs, textile, apparel, artisan products, books/ stationary etc. and the services include barber shops, cobblers, pan shops, laundry services etc.

Identification of beneficiary:

Followings are the four category of SVs who would be eligible for availing loan under the scheme

Category	Eligibility
A	Street vendors in possession of Certificate of Vending (CoV) / Identity Card issued by Urban Local Bodies (ULBs)
B	Street vendors who have been identified in the survey but have not been issued Certificate of Vending / Identity Card, Provisional Certificate of Vending to be given by ULBs through an IT based platform
C	Street Vendors, left out of the ULB-led identification survey or who have started vending after completion of the survey and have been issued Letter of Recommendation (LoR) to that effect by the ULB / Town Vending Committee (TVC);

D	Street vendors of surrounding development/ peri-urban / rural areas vending in the geographical limits of the ULBs and have been issued Letter of Recommendation (LoR) to that effect by the ULB / TVC.
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There will be a PMSVANidhi portal, which will be integrated with *Udyamimitra* portal (UMP) managed by SIDBI. Banks interface will be with UMP for the scheme. The integrated portal will facilitate the followings:

- ✓ Disseminating information to different stakeholders
- ✓ Enabling SVs to apply directly (or through CSCs) and enable their applications to flow to lenders
- ✓ Enabling banks to pick these applications at market place of UMP
- ✓ Providing banks the option to use PMSVANidhi mobile app for originating applications
- ✓ Enabling banks to submit LAF information in the portal
- ✓ Facilitating validation of UPI IDs and also calculation of digital incentives of SVs through NPCI
- ✓ Facilitating eligible interest subvention information to flow from banks to MoHUA
- ✓ Checking survey status of SVs and also checking ULB details.
- ✓ Facilitating generation/ online request of required ULB document for certain categories of vendors and approval by ULBs

The state/UT/ULB wise list of identified street vendors will be made available on the PMSVANidhi Portal. Bank may either form Joint liability groups (JLGs) or individually also lend to these SVs. Banks may also use their Business Correspondent channel to implement the scheme considering the granular nature of the scheme and client profile.

Bank onboarding on UMP

- ✓ An excel sheet shall be provided to the bank containing IFSC code of the branches presently mapped with UMP. Banks will be required to update the Pin code, Active Status* for PM SVANidhi of the Branches in the excel sheet and sent back to SIDBI for updating in the system
- ✓ Bank's admin is empowered to create any new branch and its users under the scheme
- ✓ Branch can create its users and forward link to its users (employee / BC Agent) for Mobile App download

**Only Branches which will be carrying PMSVANidhi business may be marked as Active in excel sheet so that applications in market place can be seen by/ flow to only those branches.*

Product & policy guidelines

Product description: Loan up to INR 10,000 to SVs engaged in vending in urban areas as on or before March 24, 2020

Feature	Details
Purpose of loan	Working capital requirement for the vending business
Eligibility	All SVs as identified by local ULBs as mentioned above in "Identification of beneficiary" section of the note and have required unique credential (CoV/Identity Card/LoR) issued by ULB Refer Annexure I on further details on <u>Vendor eligibility check</u> to be done by the Bank Branch
Type of facility	Term loan
Loan amount	Up to INR 10,000
Tenure	1 year
Interest rate	In line with loans given under GSS framework
Processing fee	Nil
Margin money	Nil
Repayment frequency	Monthly
Collateral/Security	Unsecured loan, no collateral security is required to avail the loan
Borrower type	Individual
Age	18 to 59 years
Educational qualification	No minimum educational qualification
Experience in business	Min 3 years vending experience in the same locality basis reference check from business neighbors/ site visit/ certificate from the ULB
Residential stability	Min 3 years in the same location – basis reference check /self-declaration by applicant /any other document Ownership of current residence is not mandatory
Distance from YBL branch	Client residence to be max 6 km from YBL branch
Aadhaar validation	Branch has to complete Aadhaar validation of the applicant on PM SVANidhi mobile app/PMSVANidhi portal

	In case branch is conducting E-KYC through Bank's own internal system, it has to provide the unique reference number issued by UIDAI or the unique key vault number along with the application information
Unique application no	<ul style="list-style-type: none"> • A unique application number shall be generated for each application which is originated in the PMSVANidhi system i.e. a direct application by the SV, applications originated by the LIs through PM SVANidhi mobile App or applications for whom the eKYC was carried out using PM SVANidhi mobile App. • For branches, which are authorized to carry out eKYC themselves, who will be using their own systems for loan origination, the unique application no for each case will be generated when they submit the applicant information on portal.
Whether client has a valid UPI ID or not	<p>Branch to verify whether the applicant has a valid UPI ID or not at the time of filling application form</p> <p>If not, Branch to engage with payment aggregators/internally to get the SV on boarded on the digital mode and obtain a valid UPI ID (P2PM category) along with a QR code on a durable material <u>before disbursement of the loan and same has to be updated on portal</u></p> <p>Branches shall also encourage SV to obtain a RuPay card linked with bank account mentioned in the loan application before disbursal of the loan amount. Branch has to ensure that SV has a UPI ID and UPI ID information along with loan application form information is submitted to the PM SVANidhi Portal. New UPI onboarding shall be in P2PM category with MCC 7407 Code and QR code on a durable material is provided to SV</p>
KYC	As per YBL KYC-AML guidelines
Credit Bureau	<p>In case of male applicant , CIBIL to be taken</p> <p>In case of women applicant, Equifax to be taken</p> <p><u>None of the existing accounts to be NPA as on Feb 29, 2020</u></p>
Calculation of loan amount	<p>Loan amount to be calculated lower of the following:</p> <ol style="list-style-type: none"> 20 % of annual turnover (basis personal discussion with borrower by branch official) INR 10,000 Loan amount requested

	<p>d. Loan amount eligibility basis minimal business cash flow analysis at 50% FOIR (Personal discussion basis by YBL official/BC agent)</p>
<p>Due-diligence of customers</p>	<p><u>Branch</u></p> <ul style="list-style-type: none"> • Vendor eligibility check as per annexure I of the note • Copy of CoV/Vendor identity card/Letter of Recommendation • Aadhaar validation through PM SVANidhi mobile app/portal • KYC verification • Business experience of vendor • Residence stability • Reference check with residence neighbors/ business neighbor • Cash flow analysis • Credit Bureau check (maker) [only if CB reports are available on the portal] • Creation of UPI ID of the borrower before disbursement (in case, not available) & update on portal • <u>For vendor category C2 & D2, obtain LoR through the portal before disbursement basis sanction letter</u> <p><u>ISB Credit</u></p> <ul style="list-style-type: none"> • Internal de-dupe (Client not previously declined loan by YBL) • Credit Bureau check • Amlock check • Tele-verification with applicant on mobile no shared by applicant • CAM (checker)
<p>CAM preparation & processing on PM SVANidhi app</p>	<p>Branch official has to undertake followings through his/her registered ID on the app provided by ministry:</p> <ul style="list-style-type: none"> • Vendor Survey status • Aadhar validation • LAF Filling/ Provisional CoV generation • Document Upload as required <p>CAM to be prepared by branch in the prescribed format covering all the Go/No-Go criteria & calculation of loan eligibility amount. Soft copies of all supporting documents (KYCs/Vendor IDs/ CAM) to be shared with Credit through Newgen work flow</p>

Underwriting of the proposal	Basis the CAM/Supporting documents/Tel-calling, Credit to appraise the loan
Decisioning in RBBCC	Representation by BPC –RB and ISB Credit in RBBCC for decisioning
Processing by U/w	For all decided cases, U/w team to update the credit process on Finone
PSDs	<p>Following is the indicative list of documents that are to be executed by the borrower and share with branch</p> <ul style="list-style-type: none"> • Loan documentation in line with GSS products • Additionally, Letter of Reco for the borrowers who fall under category of SV code – C2 & D2 (Refer Annexure 1) • Any other document(s) as required from time to time <p><u>Stamping/Frinking on Loan agreement to be done as per the State laws</u></p>
Mode of disbursement	Direct transfer to client’s savings account mentioned in loan application form
Mode of collection	Preferably SI/NACH mandate from client’s savings account
Foreclosure charges	Nil
Collection in overdue accounts	To be done by Branch Branch has jointly do with the assistance of Retail Collections Team once the account turns NPA
NPA classification	As per IRAC norms of the bank
End use monitoring	As per self-declaration by client in loan application form
Interest subsidy	<p>Borrowers are eligible for interest subsidy @ 7%. The subsidy amount to be credited into the borrowers account quarterly</p> <p>Bank has to submit the quarterly claims for interest subsidy for quarters ending as on June 30, Sep 30, Dec 31, and March 31 for each financial year through the PMSVANidhi Portal integrated with PAiSA portal of MoHUA</p> <p>Subsidy will only be considered in respect of borrowers, which are standard on respective claim dates and only for those months during which the account has remained standard</p> <p><u>The interest subsidy is available up to March 31, 2022</u></p>
Credit guarantee	Graded Guarantee Cover for the loans sanctioned, as indicated below, to be administered by CGTMSE, which will be operated on portfolio basis:

	<p>a) <u>First Loss Default (Up to 5%): 100%</u></p> <p>b) <u>Second Loss (beyond 5% up to 15%): 75% of default portfolio</u></p> <p>c) <u>Maximum guarantee coverage will be 15% of the year portfolio</u></p> <p>The periodicity of filing of claims by bank is quarterly</p> <p><i>A new scheme shall be created by CGTMSE for PMSVANidhi settlement</i></p>
PSL Classification	PSL – MSME (Micro enterprise) basis self-declaration from client
System booking of the loan	GSS product code – PSU in the Finone to be used for system booking of the loan
Mandatory updating of information in the portal	Loan application details of all SVs sanctioned assistance shall be submitted on the Udyami Mitra Portal in the Completed Application Information Section (CAIS). This will also include the applications sourced through market place. This information could be submitted through APIs/or excel by the designated nodal officer/competent authority of the Bank. The transfer of data to the portal would be at 2 stages – on sanction of the loan and on disbursal of the loan. The user ID and password used by the branches for Udyami Mudra Portal shall be used for this purpose also.
Others	Rest other processes (if any) to be in line with GSS framework

PROCESS FLOW

S No	Process Details	Responsible Team
1.	Creation of separate product code in Finone for the scheme <i>Existing PSU code for GSS cases to be used, however a separate scheme code may be created</i>	Nodal officer (<i>Head – Business Process & Control-Retail Banking</i>)
2.	<p>Bank on-boarding on UMP and Bank’s admin management of portal:</p> <ul style="list-style-type: none"> • Updating details of “Active” branches with SIDBI, where Bank is accepting the applications under the scheme • Adding new branches in the portal for accepting applications under the scheme • Creation of branch users and forward the link to users for PMSVANidhi mobile app download • Creation of user ID for credit on PM SVANidhi portal for receiving the application and other documents for processing, if required • Creation of user ID for ISB Ops for undertaking subsidy claim/credit guarantee related activities 	Nodal Officer
3.	<p>A customer may directly approach the bank branch for the loan or also may apply to the bank on PM SVANidhi portal. All cases applied online to bank would be visible to the respective branches on the portal. Nodal Team to share case details with the concerned branches which are appearing in the name of YES Bank branch as “Preferred lender” on the Udyami Mitra portal</p> <p>YBL Branch to update the loan file on GSS Tracker on receipt of loan applications either through walk-in/portal</p> <p>Document collection by branch for all walk-in customers/application received on PMSVANidhi portal</p> <ul style="list-style-type: none"> • Loan application form • KYC document • Vendor ID card/ Certificate of Vending/Letter of Recommendation 	Branch Head
4.	<u>Preliminary check by branch after receipt of application:</u>	Branch

	<ul style="list-style-type: none"> • Borrower eligibility as per annexure I on mobile app/portal • Check SRN no of the vendors surveyed on the app • E-KYC of the applicant on the app/portal - a application ID will be generated after E-KYC • Credit Bureau check (only if reports are available on portal) 	
5.	Personal Discussion(PD) with client by branch	Branch
6.	UPI ID generation through YBL/Other payment merchants for the applicant (if not available) before disbursement	Branch
7.	Cash Flow Analysis as per CAM format	Branch
8.	Updation of application details on Mobile app/portal: <ul style="list-style-type: none"> i. Fill application form ii. Scan documents and take photograph of vendor 	
9.	Branch to send confirmation on email to SLBC Team for completion of documentation	Branch
10.	SLBC team to follow up with concern branches to complete all the documentation for logging in with Credit as FTR Generation of CAS ID in FinnOne and shares the same with the Branch Team	SLBC Team
11.	Against the said FinnOne CAS ID, Branch to upload CAM and necessary documents in NewGen to be forwarded to Underwriting Team	Branch
12.	De-dupe checks and CB checks (as applicable as per note)	ISB Credit
13.	RCU Checks	Not applicable
14.	Tele-discussion with client , Credit CAM preparation and Finalization	ISB Credit
15.	Loan Underwriting & sharing of case details to RBBCC convenor for convening the meeting	ISB Credit
16.	Presentation to RBBCC for decisioning	BPC (RB) to represent as branch SPOC and ISB credit to represent Credit
17.	Credit Process Management on Finone (Sytem entry, checks, approvals/rejections) Issuance of FL	ISB Credit

18.	Updation of final case status on PMSVANidhi Portal	Nodal officer /Branch
19.	Post Sanction Document Execution	Branch
20.	Document Checking as per NDC (Non-Discrepant Checks as defined by ISB Ops)	ISB Operations
21.	Resolution of any PSD document discrepancy raised by Ops	Branch
22.	Disbursement Processing	ISB Operations
23.	Customer Communication and Welcome Kit (if any)	Branch
24.	Storage of File of all sanctioned cases	ISB Operations
25.	PDC/NACH/SI Management (as applicable)	ISB Operations
26.	End Use Monitoring	Self-declaration by the borrower
27.	Overdue Monitoring & Collection	Branch
28.	Account Closure /Part Payment/Foreclosure	Branch/ISB Operations
29.	Reporting	ISB Operations/Compliance/Finance
30.	Bureau reporting	ISB Operations
31.	Interest subsidy claim process on PMSVANidhi including portal management for the same	ISB Operations /Nodal officer
32.	Credit guarantee claim process management	Operations /Nodal officer
33.	Technology solution (LOS/LMS)	BDTS

Annexure:

1. Borrower (Street Vendor) Eligibility Check Guidelines

Category	Eligibility	Process to be followed
A	Street vendors identified in survey and in possession of Certificate of Vending (CoV) / Identity Card (ID Card) issued by Urban Local Bodies (ULBs)	<ul style="list-style-type: none"> • Check vendor name in survey (on portal/mobile app) and obtain Survey reference No (SRN) • Obtain CoV/ ID Card
B	Street vendors who have been identified in the survey but have not been issued CoV/ ID Card	<ul style="list-style-type: none"> • Check vendor name in survey (on portal/mobile app) and obtain Survey reference No (SRN) • Provisional CoV to be generated on portal on submission of application information
C	Street Vendors, left out of the ULB-led identification survey or who have started vending after completion of the survey. 2 sub categories will be there :	
	C1 : SV has been issued Letter of Recommendation (LoR) by ULB/TVC	Obtain copy of LoR
	C2 : SV has <u>not</u> been issued LoR by ULB/ TVC	On submission of application information on portal, along with the sanction letter, a system based online request will go to the respective ULB for issuing an LoR. ULB is expected to issue an online LoR within 15 days
D	Street vendors of surrounding development/ peri-urban / rural areas vending in the geographical limits of the ULBs (not covered in Survey). 2 sub categories will be there :	
	D1 : SV has been issued Letter of Recommendation (LoR) by ULB/TVC	LoR to be uploaded
	D2 : SV has <u>not</u> been issued LoR by ULB/ TVC	On submission of application information on portal, along with the sanction letter, a system based online request will go to the respective ULB for issuing an LoR



2. Loan application form



PM SVANadhi -
Loan Application fo

3. CAM format



CAM - Copy.xlsx