

“Earlier I had to ask for money from my husband for everything, but now I run my own tailoring business and don’t have to depend on him anymore”

Voices of Microfinance Clients

A study of microfinance clients’ concerns, perceptions and delights

An Initiative under
Poorest States Inclusive Growth (PSIG) Programme



भारतीय लघु उद्योग विकास बैंक



TECHNICAL PARTNER

SMART Campaign



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M2i Consulting



Enabling Sustainable Enterprises

Voices of Microfinance Clients

**A Study of Microfinance Clients' Concerns,
Perceptions and Delights**

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List of Acronyms

SIDBI	Small Industries Development Bank of India
DFID	Department for International Development
PSIG	Poorest States Inclusive Growth
MFI	Microfinance Institution
BFA	Bankable Frontier Associates
FGD	Focus Group Discussion
UP	Uttar Pradesh
MP	Madhya Pradesh
RBI	Reserve Bank of India
KYC	Know Your Customer
CB	Credit Bureau
JLG	Joint Liability Group
CGT	Compulsory Group Training
GRT	Group Recognition Training
SRO	Self-Regulatory Organizations

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The microfinance sector is witnessing exciting times for the past 2-3 years with one microfinance institution (MFI) transitioning into a universal bank and 8 MFIs receiving approval for setting up Small Finance Banks. Growth of MFIs has resumed with improved fund flow to the sector. Compared to the pre-2010 scenario, this growth has occurred in a much different ecosystem with Reserve Bank of India (RBI) recognizing the legitimacy of MFIs and providing a regulatory framework for them to operate in. In addition, the sector has a unified industry code of conduct with emphasis from apex agencies such as SIDBI on its compliance, almost universal credit data reporting to bureaus, and MFI networks functioning as Self-Regulatory Organizations (SROs), which is the first ever in the financial services industry. The industry networks MFIN and Sa-Dhan as SROs have a much greater responsibility to ensure compliance by their members to regulations and code of conduct.

With all these safeguards in place, it is expected that microfinance services are being delivered in a more responsible manner and the clients are more satisfied with the quality of their services. While institution level studies in the nature of code of conduct compliance and client protection assessments and social ratings are available for most MFIs, and some MFIs have also conducted impact assessments and client feedback/satisfaction studies for their clients, a comprehensive study, seeking client feedback on services of

MFIs has perhaps not been attempted on a wide scale, across institutions. The idea for such a study cropped up from our Managing Trustee Vipin Sharma, who is a member of the Smart Campaign's Steering Committee. Vipin was witness to a presentation of such a multi country study commissioned by the Smart Campaign and proposed that a similar study for India would add to this repertoire, as India was an important market.

The 'Voices of Microfinance Clients' is a neutral, unbiased and qualitative enquiry to understand the preferences, delights, worries and stresses of clients while dealing with MFIs. I am glad that the proposal to undertake this study was enthusiastically supported by Govt. of UK's Department for International Development (DFID) and Small Industries Development Bank of India (SIDBI) as part the Poorest States Inclusive Growth (PSIG) programme.

The methodology of the study is based on "My Turn to Speak: Voices of Microfinance Clients in Benin, Pakistan, Peru and Georgia" by SMART Campaign and Banking Frontier Associates in 2015. ACCESS ASSIST commissioned M2i Consulting as research partner for undertaking the study on the ground.

I appreciate the efforts of Rahul Bisht, Deepak Alok and their team members at M2i for completing this study within the available timeframe and with the required rigour and quality. The findings of the study were also integrated

into the Responsible Finance India Report 2016, the annual publication of ACCESS ASSIST that highlights social performance data and practices. I deeply appreciate and thank all the 15 MFIs who helped the M2i team in contacting their clients for the study and teams at MFIN and Sa-Dhan for their guidance and support. Alexandra Rizzi and Hema Bansal at the ACCION SMART Campaign provided significant inputs and feedback in finalizing the study tools as well as the draft report.

We are grateful to Ragini Chaudhary at DFID, Mr. U C Gaur, SIDBI and the SIDBI-PSIG team for their inputs and guidance throughout the course of the study.

The study aims to improve the state of practice in client protection and client treatment by informing microfinance services providers, regulators, networks and advocacy groups. It is encouraging that the findings of the study point to significant integration of client friendly practices pertaining to MFI interactions and communication with clients. There are however insights into client worries and stresses that the sector can jointly find ways of addressing through changes in policies and practices.

Radhika Agashe

Executive Director, ACCESS ASSIST

Client perspectives on consumer protection and responsible financial discourse are deeply under-represented in the microfinance sector. The efforts made by some MFIs, in the form of one-time or periodic client satisfaction/feedback studies are limited in number. They do not provide an aggregate sectoral view of client perception. Therefore, there exists very little market specific analysis of the concerns and issues facing clients in Indian microfinance context.

This study, **‘Voices of Microfinance Clients’**, was therefore undertaken at a nation-wide level to highlight MFI clients’ experiences, their general perceptions, concerns and delights in dealing with the MFIs. **Funded by DFID and supported by SIDBI, it was executed under the Poorest State Inclusive Growth Programme (PSIG).**

‘Voices of microfinance clients’ follows from an earlier study, *My Turn to Speak: Voices of Microfinance Clients in Benin, Pakistan, Peru and Georgia*, conducted by Smart Campaign and Bankable Frontier Associates (BFA) in February 2016. While the overall methodological approach for this study is similar to the earlier study, necessary adjustments were made to the research tools to make them relevant to the Indian context. The study involved two phases. In Phase one, 10 Focus Group Discussions (FGDs) and 40 in-depth interviews were conducted with clients of 10 MFIs in 3 states. In Phase two 1,080 clients of 15 MFIs in 5 states (UP, MP, Maharashtra, Karnataka and Tamil Nadu) were interviewed.

The study involved two phases. In Phase one, 10 Focus Group Discussions (FGDs) and 40 in-depth interviews were conducted with clients of 10 MFIs in 3 states. In Phase two 1,080 clients of 15 MFIs in 5 states (UP, MP, Maharashtra, Karnataka and Tamil Nadu) were interviewed.

The sample was purposely selected to have representation from a large base of MFIs across different regions of the country. The respondents were a mix of rural, urban and semi-urban clients of MFIs. 100% respondents were women. 70% of the respondents had been borrowing from MFIs for up to 3 years while 30% had been borrowing from MFIs for more than 3 years.

STUDY FINDINGS

KEY CLIENT CONCERNS AND WORRIES

Repayments

Uncertainties related to repayments remain the key concern of clients in their association with MFIs. 14% of respondents mentioned that making timely repayments was something that they have to constantly worry about. The problem is accentuated on account of ever increasing loan sizes and clients having to obtain loans from multiple sources.

Peer Pressure

Not repaying loan installments has adverse social consequences for the clients and their households. In case of non-repayment other clients put pressure on the delinquent clients to repay. They often go to the delinquent

clients' household to force repayments. Clients therefore try their best to avoid situations of non-repayment.

Managing Funds in Case of Shortfalls

Clients resort to various mechanisms to avoid a situation of non-repayment. In case of short-falls, responses of clients vary from drawing on past savings to borrowing from friends and relatives to postponing expenses. Once such an action has been taken the consequent fall outs result in another set of concerns and worries for clients.

Gender Imbalance Resulting in Clients' Concerns

Stress for clients is also created by the fact that despite women being the primary borrowers, they are often not in control of household cash flows. Clients have to depend on their husbands or other male members for the installment amount. Husbands or other male members of the household often delay handing over the money to them resulting in stress for the women clients who have to directly face consequences of non-repayment in the group meetings.

Women, despite being the primary borrowers, are often not in control of household cash flows. Clients have to depend on their husbands or other male members for the installment amount.

Joint Liability

Joint liability emerged as another critical reason for stress for clients with 13% of the respondents mentioning it as the primary reason for concern. Under joint liability mechanism, clients need to repay not only their own installment but also need to contribute in case

one or more clients do not bring their installments in the group meetings. Need for such contribution is also often not known until the last moment, creating stress and uncertainties for the clients on an ongoing basis.

Delinquency Management Practices of MFIs

A major strategy of overdue management of MFIs is the joint liability. However, the process of enforcement of joint liability by the MFIs is also stressful for the clients. Whenever there is a short-fall in collection in a meeting, MFIs take immediate action. This mainly involves calling other senior staff at the spot to build pressure on clients. MFI staff may also visit client homes and discuss about the case with the family.

Often, these discussions take place in front of neighbors. The resulting commotion, arguments and counterarguments become embarrassing for the group members particularly for the delinquent member/s. Unpleasantness related to enforcement of joint liability and recovery efforts extend even after the MFI staff leaves the place.

Frauds and Losses

Association with MFIs at times results in costs beyond the interest amounts which is a source of worry for many clients. There are situations where influential center leaders or unauthorized agents obtain bribes from the clients for facilitating loans from MFIs. There have also been cases of clients being defrauded by unscrupulous people promising loans to them. Since the transactions are primarily in cash, clients are also often concerned about fake currency and losses on account of

counting errors among other issues.

Conflicts

Since microfinance involves financial transactions in cash, the performance of one member often impacts that of others, resulting in conflicts, quarrels or arguments which cause stress to clients. Arguments among group members or within community may happen as a result of various reasons such as a member coming late to a meeting, delay in payments, joint liability or even counting errors or fake currency.

When the enforcement of joint liability in particular threatens to turn permanent in nature, it results in unpleasant scenes in the community.

CLIENT PROTECTION PRACTICES AMONG MFIs: CLIENT VIEWS

Disclosure

Clients mentioned that MFIs are transparent in their communication with them. MFIs provide loan cards to each client that contain the details of interest rate, processing fee, loan purpose, installment amounts and other relevant details in vernacular languages. MFIs also mention these terms and conditions to the clients during the group trainings.

Loan Products

The study suggests that clients are generally satisfied with the loan products offered by MFIs. 77% of the respondents expressed satisfaction with the loan amount, 93% were satisfied with the loan tenure and 96%

were satisfied with loan repayment frequency. However, with increasing loan sizes people showed preference for monthly repayment frequencies and also needed loans for purposes beyond income generation such as for housing, education, emergency needs etc. Also, there are instances of field staff encouraging clients to take maximum loans specified for a loan cycle, although as per policy, clients can opt for lower size loans.

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Grievance Redressal

On the grievance handling front, most MFIs have set up grievance redressal mechanisms which include setting up a toll-free number for registration of client grievances.

Most of the clients were found to be aware of toll-free numbers but only around 6% had used it for some query or complaint. Clients mentioned that they preferred speaking to the MFI staff in person rather than complaining over toll-free phone, which they considered as an escalation mechanism.

In fact, clients specifically stated that they generally did not like to complaint about a staff over toll-free as they thought it could adversely affect the staff's career and also spoil their own relationship with the field staff.

Over-indebtedness

MFI's use credit bureau data to ascertain indebtedness of clients. Clients said that the MFI field staff do emphasize the need to take loans responsibly and not beyond their repayment capacity. Detailed analysis of household and business cash flows and risks, however, is not undertaken by most MFIs to ascertain credit absorption capacity of the clients. Interestingly, 88% of the respondents knew about credit bureau. 63% of the respondents had fair knowledge about the credit bureau's purpose and members were also aware of the two-MFI rule of RBI.

Staff Behavior

MFI clients were generally satisfied with MFI staff. Only around 1% of clients reported of having faced situation of staff misbehavior or threat. Clients, however, have issues with the way the loan officers sometimes speak to them. The loan officers shout at the clients if they are late or delay contributions in case of enforcement of joint liability. Further, the staff behavior is more of a concern in special situations such as enforcement of joint liability or in case of house visits for overdue follow up.

Privacy of Clients' Information

Clients believed that their KYC documents are kept in safe custody and will not be misused. Clients are generally not aware of the manners in which the information, particularly IDs could be misused and hence are not particularly sensitive about safety and security of these documents. It was also observed that most of the MFIs do not return the KYC documents and photographs obtained from the clients in case their loan applications are refused.

BENEFITS OF MICROFINANCE: CLIENT PERSPECTIVES

Clients recounted several positive experiences out of their association with MFIs. The ability to get loans at reasonable rates of interest and facility to repay in installments were the most important benefits perceived by the clients. The simplicity associated with MFI loans and the door-step services were other well-received features. Many clients reported using MFI loan amounts to invest in productive assets and subsequently improving the well-being of their households.

According to many women, their ability to bring money through borrowings improved their importance in their respective families. They said that it enabled them to have a greater say in the way household finances were managed.

The ability to get loans at reasonable rates of interest and facility to repay in installments were the most important benefits perceived by the clients.

Clients also valued the opportunities which MFIs provided to socialize with other women in the community via group meetings, and the financial knowledge that they were able to gain.

TOWARDS IMPROVING CLIENT EXPERIENCES

Findings of this study indicate that clients are generally satisfied with the MFIs. Over the past few years fair and respectful treatment of clients has been one of the important focus areas for MFIs. Efforts of industry stakeholders including the RBI, Banks, investors, credit bureau, SROs and service providers have resulted in creation of

mechanisms which improve overall client protection and experience.

Some of the key elements that can cause great distress to clients, as in many other countries, such as opaque pricing, arbitrary penalties, security deposits etc. are no more an area of concern in context of India, thanks to prevailing regulations.

However, there is still scope to further improve client experience by addressing concerns which clients face. Uncertainty related to repayments is one of the major sources of stress for the clients. MFIs can address this by building some flexibility in repayment schedules and rescheduling loans in case of clients facing cash flow issues.

MFIs can also consider adopting softer approaches for enforcement of joint liability so that stress and unpleasantness associated with joint liability can be avoided.

There is also scope to improve quality

of training of MFI field staff on soft skills so that they are more polite and considerate in their interaction with clients, particularly when handling extraordinary situations like overdue follow up, client facing any exigency or while enforcing joint liability. While communicating about loan products and processes, MFIs may use more audio-visual mediums that clients can understand more easily.

Appropriate loan amount and efficient loan processing were identified by clients as major determinants for a good MFI experience. Thus, MFIs can be more sensitive towards this aspect and train staff to focus on providing clients with correct information regarding products and to lend clients as per their needs and not as per the business targets.

Further, it would be important to have periodic sector level studies and projects like this one by SROs and other industry stakeholders to solicit client level feedback on an aggregate level.

SALIENT FEATURES OF MICROFINANCE IN INDIA

Microfinance in India is largely dominated by Non-Banking Financial Companies-MFIs (NBFC-MFIs). The total loan outstanding of the industry is around USD 9 billion (June 2016) with around 36 million clients. For quite a few years, the PAR 30 of the industry has been stable around 0.3%. NBFC-MFIs are regulated by the central bank of the country, Reserve Bank of India (RBI). There are also two Self-regulatory Organizations (SROs) – Sa-Dhan and MFIN.

MFIs in India are not allowed to collect savings; hence bank loans and equity from institutional sources are the main sources of funds. MFIs also raise funds through securitization and from capital markets. The microfinance industry has been growing at a high rate of over 40% year-on-year since 2012.

After the crisis of 2010, the industry took several steps to manage risks related to client protection. The major ones among them were:

- RBI's direction related to target clients, pricing, transparency, over-indebtedness
- Setting up of credit bureaus for MFI clients
- Creation of Industry Code of Conduct
- Independent Assessments of Code of Conduct by third party
- Industry associations getting status of SRO, giving them more teeth to create and enforce industry standards

After enforcement of the RBI directives, MFI practices have changed significantly post 2010. Some of the salient features of microfinance practices in India, which have now become mandatory include:

- No collateral of any form
- Pricing to have only three components – interest (subject to margin cap), processing fee of 1% and insurance premium to be collected on actual basis. Except these three, no fee or charge in any name whatsoever can be collected
- A client cannot have loan outstanding greater than ₹1,00,000/- from all sources – this is to be checked through Credit Bureau (CB).
- A client cannot be lent by more than 2 MFIs, irrespective of his/her loan outstanding amount – this again has to be verified through CB checks.
- NBFC-MFIs must abide by the Fair Practice Code of RBI and the Industry Code of Conduct.
- Clients must be informed of all policies, processes and pricing. It must be printed in the vernacular language on loan card.
- Clients must be provided a grievance redressal mechanism. Almost all MFIs provide a phone number and many have toll-free numbers.
- MFIs must get code of conduct assessments done. This is among the lending covenants of most banks.

Last year (2015), the RBI introduced new form of banks called ‘Small Finance Banks’. Many MFIs applied for the license and 8 NBFC-MFIs received in-principle approval from RBI. This year three MFIs have already received the final license to start the bank. Thus, MFIs in India are now gradually transforming into banks.

In 2015, the RBI introduced ‘Small Finance Banks’. Many MFIs applied for the license, from which 8 NBFC-MFIs received in-principle approval. 2016 saw 3 MFIs receive the final license to start banks. This shows how MFIs in India are now gradually transforming into banks.

Context

As part of its engagement with several sectoral forums, ACCESS-ASSIST recognizes that client perspectives are under-represented in consumer protection and responsible finance discourse. The efforts made by some MFIs in the form of one-time or periodic client satisfaction/feedback studies are limited in number and solicit feedback specific to services of the institution. They do not provide an aggregate sectoral view of client perception. Therefore, there exists very little market specific analysis of the concerns and issues facing clients in Indian microfinance context. With the objective of understanding the perspectives of clients better, ACCESS-ASSIST undertook this study under the Poorest State Inclusive Growth Programme (PSIG) implemented by SIDBI and funded by DFID. The study was conducted by M2i Consulting.

This study follows from an earlier study, *My Turn to Speak: Voices of Microfinance Clients in Benin, Pakistan, Peru and Georgia*,¹ conducted by Smart Campaign and Bankable Frontier Associates (BFA). That study had also been undertaken to better understand the realities, concerns and experiences of the individuals for whom the entire client protection architecture is built; the synthesis report for that study was released in February 2016.

Now, this study in the Indian context will further add to the depth of knowledge and data in the client protection context. The overall methodological approach in this study is similar to the earlier study by the Smart Campaign and BFA. The research tools were inspired by the same study although suitable changes were made to make them relevant to the Indian context. Using a client protection lens, this study gathers direct input from clients on their concerns, experiences and celebrations in dealing with MFIs.

The two most important objectives of the study are:

- To solicit input from clients about what they consider good and bad treatment in their interactions with microfinance service providers
- To assess the prevalence of consumer protection problems among microfinance clients

Broad level questions which were explored by the research were:

- What do microfinance clients view as their most important worries and most negative experiences in dealing with microfinance providers?

¹ <http://smartcampaign.org/tools-a-resources/1089>

- Which are the more common consumer protection problems among microfinance clients?
- What attributes are most important to clients in determining a positive customer experience?
- How do these priorities compare to assumptions industry has made about what clients want (as reflected in the industry Code of Conduct and the Smart Campaign's Client Protection Principles)?

Methodology

The study was conducted in two phases. Phase I consisted of the Qualitative research, wherein ten (10) Focus Group Discussions (FGDs) and forty (40) in-depth client interviews in three states of the country were conducted. Participative activities using chart papers, photography and video-making were also conducted to better understand clients' perspective.



Phase 1: Qualitative Research			
Zone	State	No. of FGDs	No. of in-depth interviews
North Zone	Uttar Pradesh	5	20
Central Zone	Madhya Pradesh	1	5
South Zone	Karnataka	4	15
Total		10	40

Based on the findings of the qualitative research, Phase II of the study was designed. This consisted of Quantitative surveys to validate common concerns and priorities of clients. The survey was conducted with 1,080 clients of 15 MFIs in five states of the country. (Survey tools are provided in Annexure 3)

The list of 15 MFIs and the sample distribution is provided in Annexure.

Phase 2: Quantitative Research		
Zone	State	Clients Surveyed
North Zone	Uttar Pradesh	227
Central & Western Zone	Madhya Pradesh	236
	Maharashtra	204
South Zone	Karnataka	208
	Tamil Nadu	205
Total		1080

The sample of study was purposefully selected from 5 states distributed across different regions of the country to have a diverse regional representation. The sample of clients was distributed across North, Centre, South and West of India.

It was also ensured that the sample of clients is from diverse MFIs to get a good sense of client experiences over a large MFI base. However, the findings in this study have deliberately not been presented disaggregated over MFIs.

This is because the purpose of the study was not to analyze variations in client experiences across these 15 MFIs but to have an overall sense of client experiences while dealing with MFIs in general. Disaggregation of data across MFIs was also not relevant as the experiences quoted by clients were not limited to these 15 MFIs. They were based on wider experiences of clients in

dealing with various MFIs in past and present.

Due to enormity of the size of Indian microfinance sector and the qualitative focus of the study, random sampling was not conducted. Hence, the results of this study may not be statistically valid but they do provide a good qualitative insight on what MFI clients have to say.

CLIENT PROFILE IN SAMPLE

The respondents were a mix of semi-urban (40%), urban (38%) and rural (22%) clients of MFIs. 100%

respondents were women, 71% of the clients were up to 40 years of age. 80% of the respondents were literate.

In terms of occupation, 33% gave trading as their primary occupation while 31% and 22% gave labor and agriculture as their primary occupations respectively. 70% respondents had been borrowing from MFIs for up to 3 years while 30% had been borrowing from MFIs for more than 3 years. Details of Respondent profile are provided in Annexure 2.

As part of the Qualitative research, the study tried to explore what was the broad impression held by clients regarding MFIs, whether it was positive or negative. In order to do so, one of the questions posed to clients during the Focus Group Discussions (FGDs) was about how they related the MFIs or their experiences with MFIs with any real life object, or how they associated MFIs with that object. These associations revealed a lot about client perception of the MFIs.

The real life objects that clients associated MFIs with included:

- Schools
- Temples
- Computers
- Wall Clocks

Schools

One of the main objects that came to the minds of many clients when they thought of MFIs was 'school'. Clients associated MFIs with schools on account of the focus of MFIs on discipline and timeliness, fixed schedules, agendas and the provision of learning opportunities.

Like schools, MFI group meetings have fixed schedules – groups meet at fixed days of the month/week/fortnight at the specified time at the specified venue. There is a pledge at the beginning of the meeting, attendance of clients is marked and there is fixed agenda for transactions.



A local school

At the end of the meetings there is again a prayer followed by formal dismissal.

During the group or center meetings clients are expected to maintain discipline – they are required to be punctual, sit in the specified order, undertake transactions in the specified manner and maintain decorum. Clients are also told to keep quiet in case they talk too much or too loudly during the meeting. In many groups, clients are even expected to pay a fine to the group in case they are late for the meeting. There may be a more severe penalty in the form of denial of loans in the future in case a client is absent for several meetings.

Clients also associated their participation in MFIs with learning. At the most basic levels, MFIs teach clients how to put their signatures. This is critical for clients who are illiterate and have only learnt to write their names for the first time after becoming members of MFIs.

Additionally, clients learn about financial products and institutions during the course of their interaction



with the MFIs. They learn about mechanics of interest rates, utilization of loans and various other financial aspects. Many MFIs also educate clients about the need to save and borrow responsibly.

Client Voices

“I am reminded of school. As one is required to reach school on time; so I am also supposed to reach for meetings on time. Moreover, children meet their fellow friends at school, so do I meet my fellow group members at collection meetings. Moreover, I have to be regular and cannot miss collection meetings, similar to how students have to regularly attend the school. As students receive formal education, I have received knowledge on how to talk to people, write my name and gained information on various loan aspects.”

- An MFI Client in Uttar Pradesh

Temples

Temples (or any places of worship in general) were another of the prominent objects that came to clients’ minds when they thought about dealing with MFIs. The association that clients made of MFIs and temples can be traced to the stress they face in repayments and



A village temple

other uncertainties in transacting with the MFIs on a periodic basis.

People typically go to temples or other places of worship and pray when faced with situations of stress or uncertainty. Before every meeting, clients undergo stress related to whether they will be able to get adequate amounts for repaying the installments, whether all clients of the group will pay their installments on time and whether there will be any disagreements within the groups during the meetings. Clients also fear about loss of money on account of frauds, theft, fake currency and counting errors.

Under these circumstances, clients silently pray that nothing untoward happens and the group meetings end without incident.

Client Voices

“Whenever I think about paying on behalf of some other group member, at times when she has failed to collect money to repay her loan installment, I am reminded of a temple. This is because I find that situation similar to being in a temple, fervently praying that I do not have to pay on someone else’s behalf.”

- An MFI Client in Madhya Pradesh

Computers



As surprising as it may sound, clients also tended to associate MFIs with computers.

Through their experience of interacting with MFIs, clients have become aware about how all the information they provide is stored in computers and can be retrieved whenever needed.

Most MFI branches today have computers and details of disbursements and collections are entered in these.

Clients are also aware that information is shared among the MFIs through credit bureaus and details for all the loans taken by the clients are available to all the MFIs through some centralized computer storage.

Hence, all the technology that plays a part in dealing with MFIs is understood by clients in the form of ‘computers’.

Client Voices

“I have heard about Credit Bureaus (CB) from the MFI staff and officers who visit us regarding loans. All the information – my name, the number of companies I have borrowed from, the amount of money taken – everything is there on computers. CB reminds me of a computer. All the information regarding the amount of loans and the different companies from where we have borrowed is known to the officers. If someone borrows from more than two or three companies, CB rejects their application for loan.”

- An MFI Client in Uttar Pradesh

Wall Clocks

Clients associating MFIs with wall clocks stems from their experience on the emphasis placed on punctuality.



Most MFIs have policies of starting meetings at the precise time. Even if the staffs reach a minute early, they are asked to wait and not allowed to start the meeting before time. This has led to clients associating MFI work with that of clockwork precision.

The objects or things that clients associate MFIs with were mostly related to the functional aspects of MFIs. They reflect the precision and discipline followed by MFIs and the learning. They do not generally reflect any deep seated stress or harassment.

The ‘temple’ association however does reveal stress-inducing concerns that clients have while dealing with MFIs. Clients worry about making timely repayments of their loans, unpleasant surprises in the form of paying for some other client as joint liability or other unanticipated losses. Hence, mostly, clients pray for smooth and uneventful meetings.

The study explored various reasons of stress and worries of the clients in their interaction with the MFIs.

As seen in **Figure 3.1**, on the question of their ‘biggest anxiety or concern in dealing with MFIs’, 61% out of the 1,080 clients surveyed in the study, did not express any major concerns.

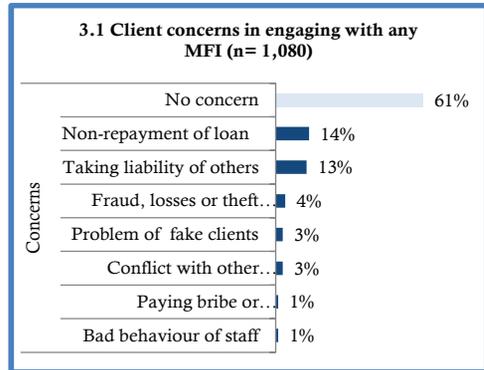
For the remaining, repayment related uncertainties and taking responsibility for the liabilities of others emerged as the major source of concern. Frauds, losses, theft and conflict with others emerged as other sources of concern.

While the clients mentioned concerns they had in dealing with the MFIs, the study also explored the specific instances of negative experiences that clients had actually faced. Details of major issues causing concerns and the proportion of clients that faced them in the sample are presented in Chart 3.2.

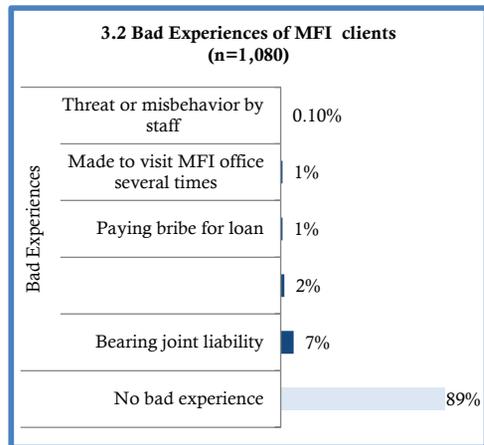
As seen in the figure, 11% of the respondents could recount negative experiences from their interaction with the MFIs. 7% of the respondents had faced enforcement of joint liability while 2% respondents had faced conflict with their communities or within their families due to issues related to loans from MFIs.

When only 11% of the clients may have actually faced some or the other stress-inducing situation causing stress, for the others who observe them, it becomes a matter of concern.

These clients may either be indirectly involved in the situation or will fear that in the future they may also face such a situation. We now analyze the most common situations that cause stress to clients and the reasons behind them.



Note: The options are not mutually exclusive so proportions add up to more than 100%



Note: The options are not mutually exclusive so proportions add up to more than 100%

Arranging Money for Installments

Arranging money for repayment of installments is a major source of stress for the MFI clients. The problem is accentuated on account of



ever increasing loan sizes, decreasing center sizes and clients obtaining loans from multiple sources. As the loan installments become due period after period, clients have a constant concern regarding arranging installments, week after week, fortnight after fortnight or month after month for different MFIs that they might have borrowed from.

There is stress on the cash flows of the households. With increasing loan sizes, clients expressed that they prefer monthly or fortnightly installments as it provides them some time to arrange for the cash and the necessary ‘breathing space’ in between the two due installments.

Fear of Peer Pressure

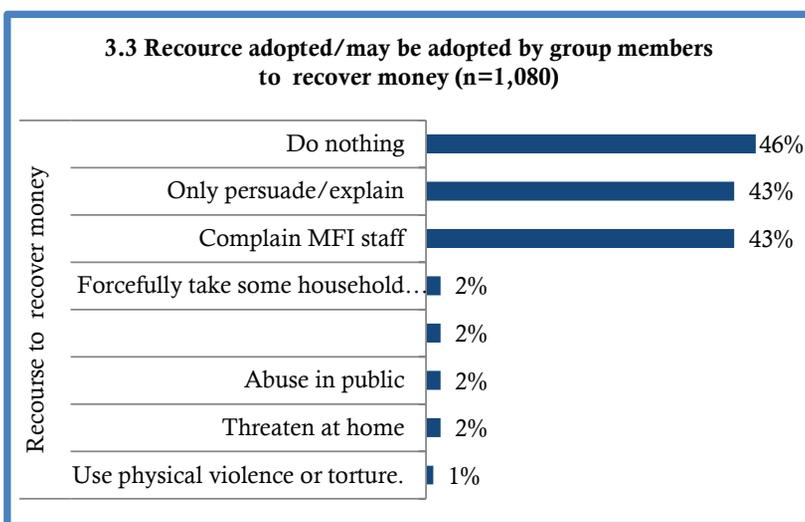
Not repaying loan installments has adverse social consequences for the clients and their households. In cases of non-repayment, other clients put pressure on the delinquent clients to repay. They often go to the delinquent clients’ houses to force repayments. Clients therefore try their best to avoid situations of non-repayment.

Based on what clients had either experienced personally or seen happening with others, they expressed various measures that other members could take in case of delinquency. Chart 3.3 below shows their opinion regarding the recourse which may be adopted. Hence, for clients, a situation of non-repayment is not just a financial matter but a social and reputational matter as well, which can bring a lot of stress and therefore they generally try their best to avoid such a situation.

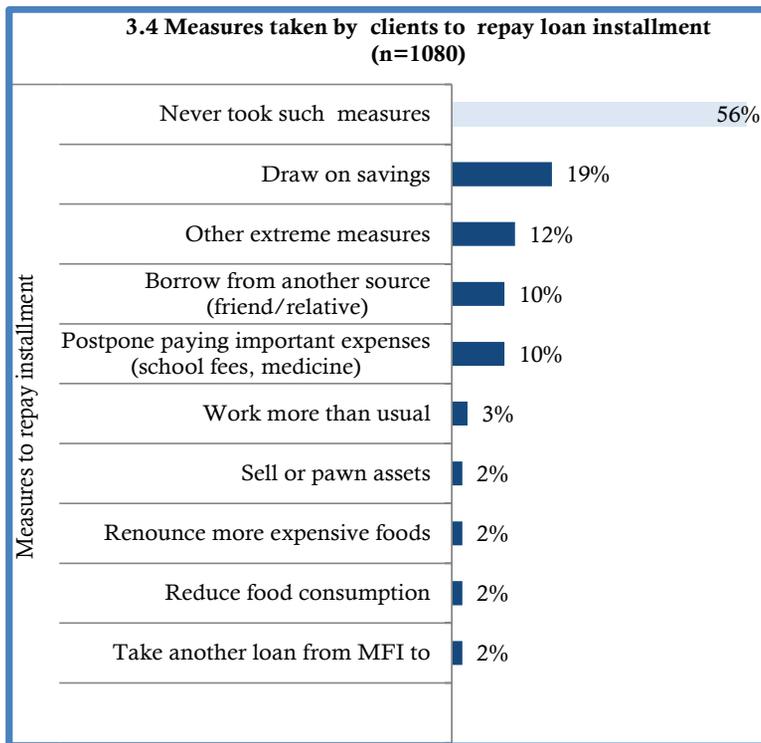
Managing Funds in Case of Shortfall

The study explored how people manage to repay in case of cash flow problems. 44% of the clients reported facing cash flow problems on one or more occasions. **Figure 3.4** next page shows the recourses adopted by clients to ensure timely repayments.

Thus, we see that clients resort to various mechanisms to avoid a situation of non-repayment. These vary from drawing on past savings to borrowing from friends and relatives to postponing



Note: The options are not mutually exclusive so proportions add up to more than 100%



Note: The options are not mutually exclusive so proportions add up to more than 100%

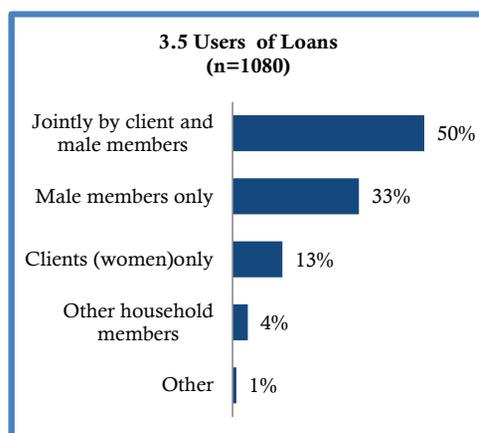
expenses. Once such an action has been taken the consequent fall outs result in another set of concerns and worries for clients.

Gender Imbalance and Client Concerns

Stress for clients is also created by the fact that despite women being the primary borrowers, they are often not in control of household cash flows. In most cases financial decision making is with the male members and women have to depend on their husbands for the money to repay the loan installment.

In fact, even the money borrowed by women is mostly utilized in their husbands' businesses. **Figure 3.5** shows that among respondents, only 13% of the loans had been utilized for an activity controlled solely by women.

Husbands or other male members of the household may delay handing over the money to them for making the repayment resulting in stress for the women clients. It is important to appreciate here that it is the women who have to directly face the consequences of non-repayment in the group meetings.



Note: The options are not mutually exclusive so proportions add up to more than 100%

Client Voices

“We are always worried that we have taken this loan, but this needs to be repaid, this is not ours, we have to give it back in time. This always bothers us”

- An MFI Client in Madhya Pradesh

“A woman takes loan and if the man (husband) does not repay, it is the woman who has to then face all the difficulties and problems”

- An MFI Client in Uttar Pradesh

Joint Liability

Under the joint liability mechanism, clients need to repay not only their own installment but also have to contribute in case one or more clients do not pay their installments in the group meetings.

Need for such contribution remains mostly unknown until the last moment, creating stress and uncertainties for the clients on an ongoing basis.

In each meeting clients generally bring additional amounts to contribute in case someone in the group does not repay. Joint liability or bearing the cost for other group member's inability to pay due to any reason can either be of a temporary nature or of a permanent nature.

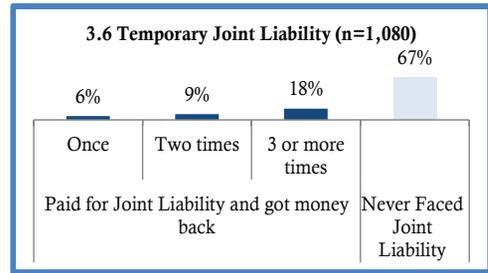
Liabilities where certain group members fail to arrange money due to sudden crisis or exigencies are temporary in nature. The group members recover the money from the delinquent members afterwards.

In the sample about 33% respondents

reported fulfilling their obligation for joint liability on one or more occasions and getting their money back from the delinquent clients.

More extreme situations occur, when the delinquent client is not able to repay the installments at all, she either migrates or refuses to repay installments. In such situations, joint liability becomes of a permanent nature where other members of the group have to bear the losses of the remaining loan amount.

Joint liability or bearing the cost for other group member's inability to pay due to any reason can either be of a temporary nature or of a permanent nature.



1% of the clients reported having lost their money due to enforcement of joint liability of permanent nature. These were members who contributed to fulfill their joint liability but could not recover money from the delinquent member.

It is interesting to note that when clients contribute for joint liability, some of them do not even inform their husbands or other members in the family. They feel that in case they do, their husbands will be annoyed and will ask them to withdraw from the group.

In our sample, 7% of the respondents who had experienced situation of



joint liability reported of not always informing their husbands when they contributed.

A major reason for stress in case of joint liability is its unpredictability which causes an unplanned expenditure. A client may be repaying regularly but could suddenly have to contribute for some other delinquent client or clients when she might be least expecting it.

Client Voices

“We have to pay (the contribution of joint liability) no matter what, as we have taken a pledge to do so”

- An MFI Client in Uttar Pradesh

“When one member of the group does not repay, we have to pay on behalf of her. This is the aspect I hate the most about the MFIs”

- An MFI Client in Madhya Pradesh

Delinquency Management Practices of MFIs

The most significant strategy of overdue management of MFIs is the joint liability. However, the process of enforcement of joint liability by the MFIs is also stressful for the clients.

MFIs have strict policies for enforcement of joint liability. In case there is a shortfall in collection in a meeting, MFIs take immediate action. This mainly involves calling other senior staff at the spot to build pressure on clients.

MFI staff may also visit client homes and discuss about the case with the family; often discussions take place in front of neighbors. Resulting commotion, arguments and counterarguments become embarrassing for the group members particularly for the delinquent member/s. Unpleasantness related to enforcement of joint liability and recovery efforts extend even after the MFI staff members leave the place.

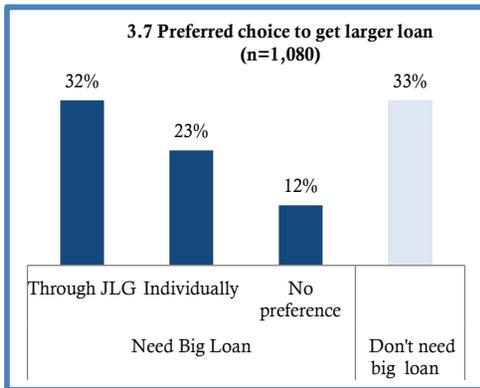
In case other members have contributed towards joint liability, they continue their recovery efforts by following-up with the delinquent members. Intensity of the follow-up depends on the perceived likelihood of them not being able to recover the money.

As seen in Figure 3.7, it is not surprising therefore, that when asked whether clients would like to take loans using joint liability or individually when loan sizes become higher, about 1/3rd of those needing higher size loans expressed their preference for individual loans.

However, about half the proportion of clients needing higher size loans preferred group methodology of joint liability.

This was primarily because clients have always been borrowing in groups since the beginning and are not able to build enough confidence to borrow individually. They are also not able to understand the modalities

for new methodologies and hence preferred to go with what they already know to avoid further uncertainty.



Frauds and Losses During Transactions

Association with MFIs results in costs beyond the interest amounts for many clients.

Due to transactions (disbursements and collections) taking place in cash there are certain unanticipated losses that clients sometime have to face, which create unwanted stress. Some examples:

- Clients get fake currency during loan disbursements or collections.
- Clients lose money on account of counting errors or theft during group meetings.
- Some MFIs have a practice where one person from the group collects loan installments from all the members in the group and has to deposit this in the branch offices of the MFIs. Sometimes this amount is lost during transit.

Client Voices

“I have to be careful during group meetings. For instance, if a member has to pay Rs.1000, and if she hands me over a Rs.500 note, I will have bear the loss due to my carelessness”

- A group leader in Uttar Pradesh

“The center leader asks for money for admitting clients in the group. She asks for Rs.1000 saying that if for some reason I am absent she will have to handle the situation because she is the leader”

- An MFI Client in Karnataka

“We know of some people in the locality who arrange for clients to take loans from the MFIs. The clients hand over the loan amount to these people. Loan installments are handed over by these people before due date. We find such people very dangerous”

- An MFI Client in Karnataka

- Influential center leaders or unauthorized agents in certain cases obtain bribes from the clients for facilitating loans from the MFIs. These agents may also be sometimes encouraged by the MFI staffs to achieve their targets.
- Clients have recounted instances where they were approached by some people for forming groups for giving them loans. After collecting the ‘processing fees’ these people never returned.

- There have been instances where an unauthorized person collected loan installments prior to the scheduled day of the meeting. On the scheduled day of the meeting when the regular loan officers came for collecting installments, clients had to pay again.

2% of the respondents in our sample reported one of these types of losses.

Conflict with the Group Members or Community

Conflicts, quarrels or arguments are another cause of stress for clients. Arguments among groups members or within community may happen as a result of various reasons such as a

member coming late to meeting, delay in payment, joint liability or even counting errors or fake currency etc.

Enforcement of joint liability in particular when it threatens to turn permanent in nature, results in unpleasant incidents in the community.

Disagreements and conflicts are also common when one or more clients are denied admission into a group or when a member is expelled from group by others as others may not consider the member responsible or creditworthy. In overdue cases, MFI staff visiting house of a delinquent client may also turn into a conflict. People often do not prefer negotiations on financial matters at their doorsteps as it adversely affects their reputation in the community.

In the previous chapter we understood various aspects of microfinance that according to clients result in concerns and stress for them. The study also explored clients' awareness and views on various client protection practices.

Disclosure

Clients mentioned that MFIs are transparent in their communication with them. MFIs provide loan cards to each client that has the details of interest rate, processing fee, loan purpose, installment amount and other relevant details in vernacular language.



Clients confirmed that MFIs inform them of these terms and conditions during the group trainings at the time of group formation. These practices were mentioned by clients across all MFIs and were fairly standard.

Clients are generally aware of the interest rate which the MFIs charge, although they are not able to appreciate the meaning and significance of reducing balance interest rate or how a slight change in cash flow of the loan product can change the overall pricing.

As part of their training process, MFIs simply communicate the declining

balance interest rate to the clients who are not used to such rates in their day to day usage.

While clients are able to distinguish large interest rate differences between different service providers, they cannot distinguish minor changes in the rates of interest, which may often be on account of slightly different cash flows of the loan product.

For example clients are aware that MFIs' interest rates are lower than those of money lenders but it is difficult for them to compare interest rates of different MFIs. MFI clients typically tend to compare absolute amounts of interest which they pay in different MFIs, these are not always comparable given difference in loan tenures, structuring of repayment installment size and loan amounts.

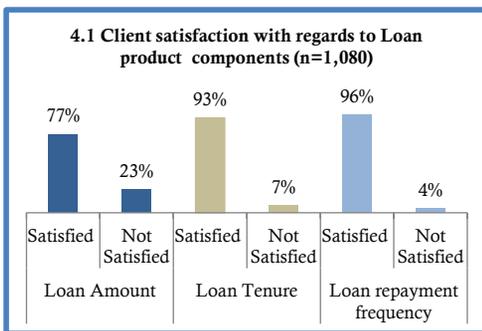
Awareness of clients on total installment, processing fees, insurance charges and benefits was found to be reasonable.

The method of communication of interest rate or other policy disclosures across MFIs is largely through oral and written communication. MFIs do not use audio-visual means for client trainings which perhaps could be more effective.

MFIs provide loan cards to each client which contains details of interest rate, processing fee, loan purpose, installment amount and other relevant details in vernacular language.

Loan Products

The study suggests that clients are generally satisfied with the loan products offered by MFIs. As seen in Figure 4.1, 77% of the respondents expressed satisfaction with the loan amount, 93% were satisfied with the loan tenure and 96% were satisfied with loan repayment frequency.



Regarding overall feedback on loan products, 59% of the respondents reported they were satisfied. 13% of the respondents felt that loan size was inadequate, while 10% felt that interest rate and fees were high. 6% felt that the loan given only for income generation purposes was a constraint.

Most of the clients now prefer for loans to be repaid in monthly installments. As discussed earlier, joint liability is a source of stress for the clients and 23% of the clients said that they would prefer individual lending methodology for loans of large sizes (₹1,50,000 and above).

During FGDs however, clients expressed that MFIs should also offer loans for other life cycle needs apart from income generation. Demand was expressed for products for housing, education, household assets etc.

Grievance Redressal Mechanism

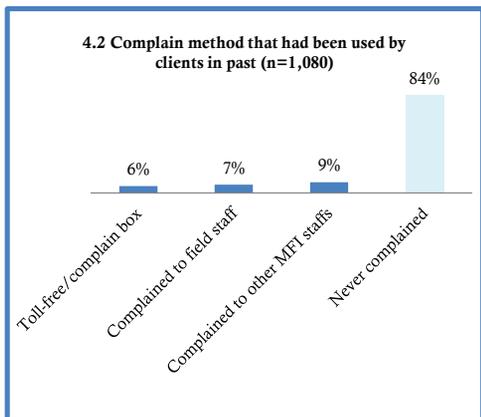
Respondents across all MFIs in the sample mentioned that there was a formal grievance redressal mechanism available. Clients had been informed of phone numbers including toll-free number where clients could call to register their complaints.

As per the clients, the loan officers inform clients about the grievance redressal mechanism during the group trainings. The phone number is also mentioned on the loan passbooks provided to the clients and displayed on the office premises of the MFIs. 64% of the interviewed clients were found to be aware of the toll-free numbers and the process to register complaints.

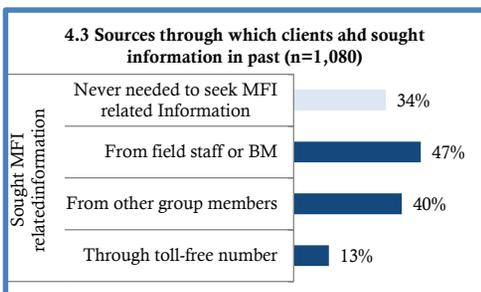
Not many clients have, however, used this mechanism to complain or for query. In the sample 6% respondents had used toll-free number for a query or to complain. 7% had complained to field staff while 9% had complained to other MFI staff. According to the clients they are more comfortable talking to a person who they know rather than to some unknown person over the phone.

Most of the clients have access to respective Branch Managers' numbers which they call in case of queries or complaints. Clients also put their questions to the supervisors in case they visit their centers.

Branches are also accessible to the clients. Clients are mostly located in the radius of around 15 kilometers from the branch and visit them to resolve their queries.



Note: For data in both figures, 4.2 and 4.3, some clients had sought information through different means and hence proportions add up to more than 100%.



Only 13% clients reported that they would prefer using toll-free numbers to seek information from their MFI. Remaining 87% said that they would either approach the branch managers, supervisors or the group leaders to seek any information.

79% of the members who had complained regarding a problem mentioned that their problem was resolved by the MFI.

It is also noteworthy that the clients also empathize with the loan officers and they are often reluctant to complain about them to their supervisors.

The clients feel that negative feedback about the MFI field staff may jeopardize their career and will also adversely affect their relationship with the staff.

They prefer to complain using phone only in case of some extreme situation which they think cannot be resolved at the branch level.

Client Voices

“Why to use the telephone number and complain, why to risk someone’s job? You never know what will happen if we make the phone call.”

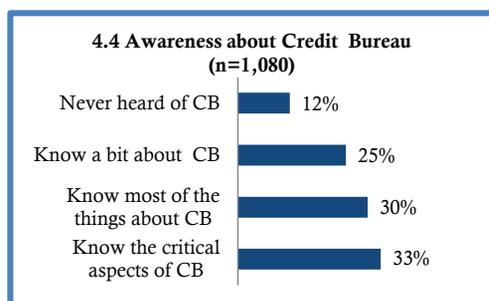
- An MFI Client in Madhya Pradesh

Prevention of Over-indebtedness

MFI's primarily depend on their policies and RBI directives regarding over-indebtedness to decide maximum loan amounts to be given to clients in a cycle.

Clients said that the MFI field staff do emphasize the need to take loans responsibly and not beyond their repayment capacity. Most of the clients the study team interacted with are aware of the need to take loans which they can comfortably repay. Detailed analysis of household and business cash flows and risks, however, is not undertaken by most MFIs to ascertain credit absorption capacity of the clients.

Discussions with clients revealed certain practices of the field staff which result in clients taking loans beyond what they need. For example, some of the field staff encourage clients to take

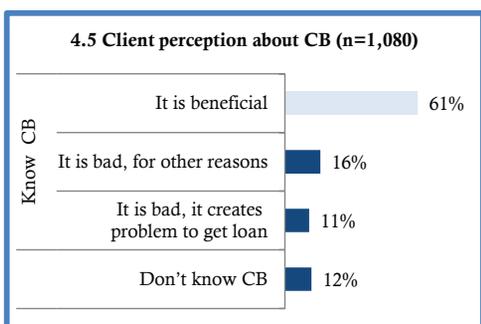


maximum loans specified for a given loan cycle, although as per the policy they can opt to take lower sized loans.

There were also quite a few instances where clients had dropped out of one MFI and joined another MFI because they thought that to avail a smaller size loan they would have to be in a lower loan cycle. Clients were also asked about their awareness of credit bureau, which is now a standard feature of Indian microfinance.

Surprisingly, as seen in Figure 4.4, 88% of the respondents knew about credit bureau. 63% of the respondents had fair knowledge about credit bureaus and their purpose.

They knew that the details of the loans taken by them from any MFI are available to all MFIs through the credit bureaus. They were also broadly aware of the RBI's directions regarding indebtedness from the MFIs, particularly the two-MFI rule.



It was also found that despite loans being rejected by MFIs on credit bureau checks, clients understand and

appreciate the larger benefit. 61% of the surveyed clients appreciate the benefits of Credit Bureaus and the fact that it helps avoiding over-indebtedness, as seen in Figure 4.5.

88% of the respondents knew about credit bureaus to some extent, while 63% of the respondents had fair knowledge. They were also aware how the details of their loans were available to all MFIs via the credit bureau.



Client Voices

“Everything including name, address, how much has been borrowed and from whom – all of it is there on the computer. Everything is known beforehand.”

- An MFI client in Uttar Pradesh

“If there is no check then clients will take loans from all the MFIs and will not be able to repay”

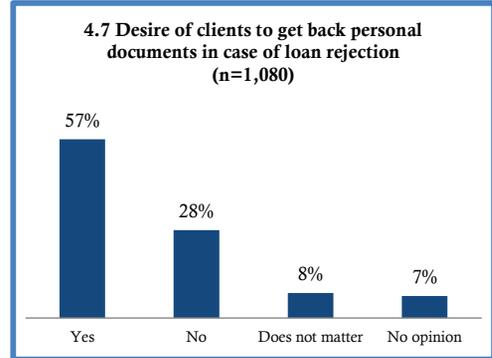
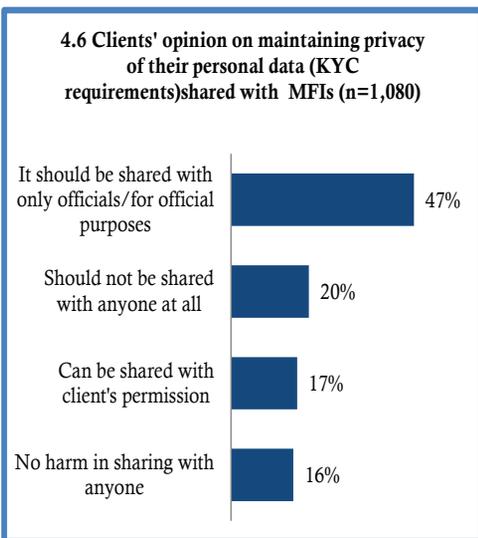
- An MFI Client in Madhya Pradesh

Privacy of Client Information

MFIs collect KYC documents, photographs and household information as part of their appraisal process. Discussions with clients reveal that they believe that their documents are kept in safe custody and will not be misused.

In this context, one of the issues to note is that the clients are not aware of the manners in which the information could be misused and hence are not particularly sensitive about the safety and security of their documents.

It was also observed that most of the MFIs do not return the KYC documents and photographs obtained from the clients in case their loan applications are refused. Most clients strongly feel that in case their loan applications are refused the KYC documents and photographs should be returned to them as MFIs have no business keeping their documents if they do not provide them loan.



Client Voices

“If the company rejects our loan, it should return our documents. We are sure that the company will not misuse the documents but in case we have no relationship with the company, why should they keep the documents? It is only fair that they return them”

- An MFI Client in Uttar Pradesh

Staff Behavior

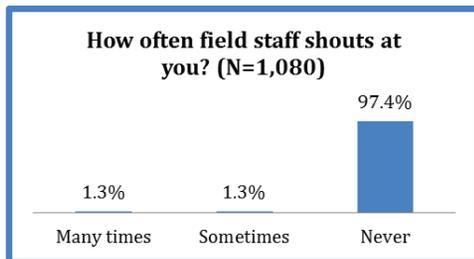
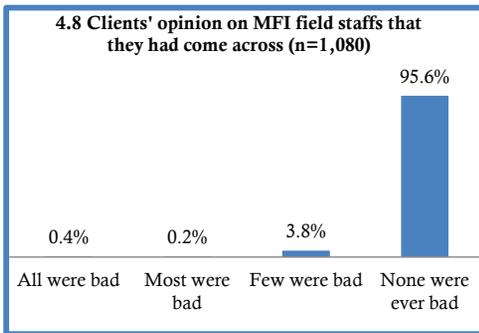
Clients mostly expressed satisfaction with the behavior of the MFI staff. Clients did not report of instances of misbehavior or other malpractices by the MFI staff. 1% respondents recounted instances where they had paid some unauthorized money to staff and 1% respondents had experience of staff threatening them or misbehaving with them. However, most respondents were of the opinion that generally staff behave properly while a few staff are bad.

Clients, however, have issues with the way the loan officers sometimes speak to them. The loan officers shout at the clients if they are late or delay contributions in case of enforcement of joint liability or for other reasons.

Interactions with clients indicate that most of the clients have accepted this as normal and do not consider this as some serious case of staff misbehavior or unfair treatment. 2.6% of the clients in the sample reported that they had been shouted at by the MFI staff. 46% of the clients considered it not justified while 54% thought it was somewhat justified if clients make a mistake or do not follow the policy. “If we make mistakes, we will naturally get scolded”, was the typical response of the clients.

Only a few clients are vocal about the fact that the loan officers should not shout under any circumstance.

It is also important to note that the clients find the branch managers and supervisors more polite in their dealings rather than the field staff who interact with them on a regular basis.



Client Voices

“Earlier we had some fear of MFI staff but as they behave properly with us we don’t fear them now. The staff members are also human beings just like us. They are not ghosts so there is no reason for us to be afraid”

- An MFI client in Uttar Pradesh

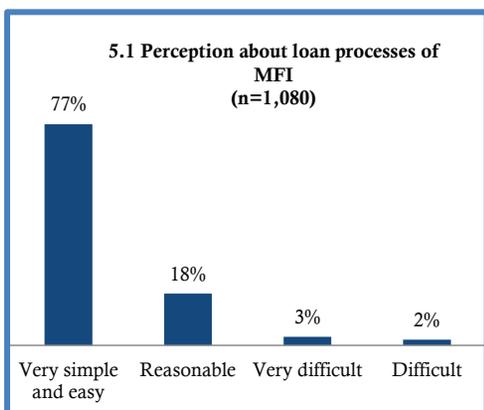
Seeing that loan officers face a lot of pressure on many occasions to maintain timeliness and targets, some clients even empathize with the fact that they may be frustrated in case their schedules are disturbed due to delays caused by the clients.

“We repay loan, pay back interest amount as well, then why should they (MFI field staff) shout or talk to us rudely?”

- An MFI Client in Uttar Pradesh

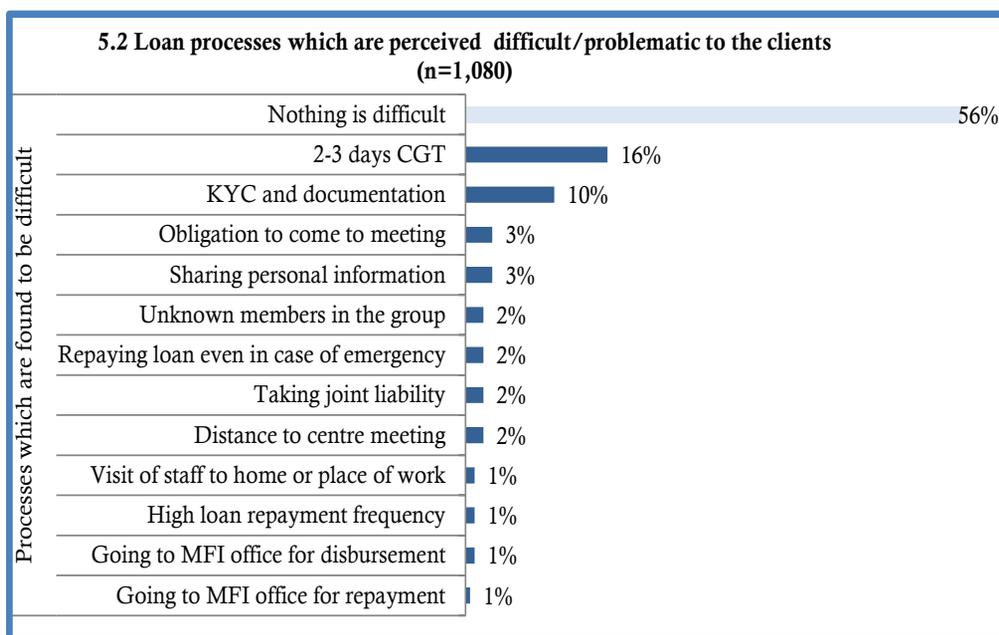
Loan Related Processes

Overall, clients are satisfied with the processes of MFIs. As seen in **Figure 5.1**, only 5% of the respondents reported MFI processes as being ‘difficult’ or ‘very difficult’.

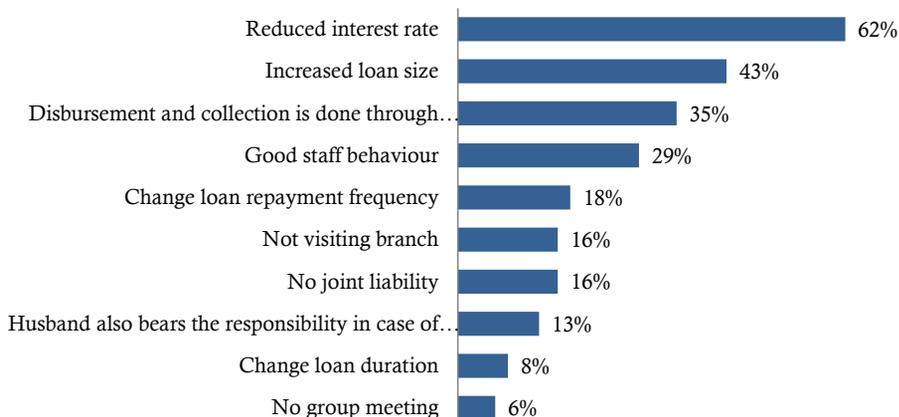


Clients ranked ‘simple and convenient processes to get loans’ followed by the facility of ‘collection of installments in the village’ as the most important aspect of the processes followed by the MFI. This was followed by ‘staff behavior’ and ‘accuracy of information’ shared by the MFIs.

Figure 5.2 reflects how among the specific sub-processes of the MFIs, clients find ‘Compulsory Group Trainings (CGT)’ as the most difficult process followed by ‘KYC and documentation’. It is important to note here that 56% of the respondents could not point to any specific sub-process to be the most difficult.



5.3 Clients' desired requirements to better their MFI experience (n=1,080)



Reduction in interest rate and increase in loan sizes are the two most important aspects for clients. Interestingly, a significant proportion of clients also suggested that disbursements and collections should be done through bank accounts. This partly reflects the outreach of the bank accounts as this response was fairly distributed across rural, semi-urban and urban clients.

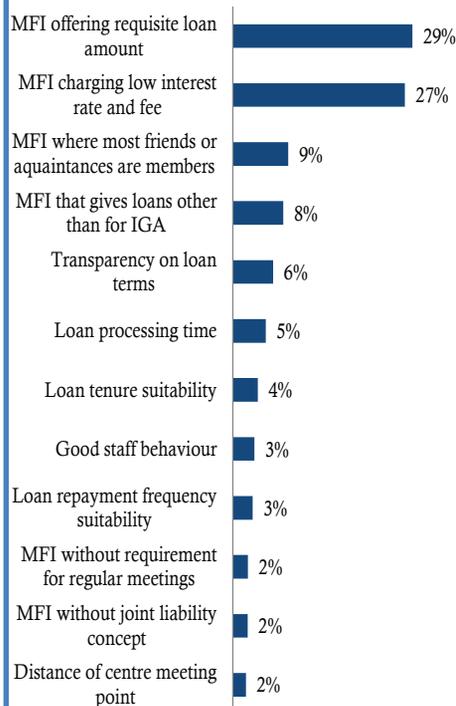
Choice between MFIs

As seen in **Figure 5.4**, in terms of factors which drive the choice between two MFIs for the clients, **appropriate loan size emerges as the clear preference followed by interest rate.**

While clients are satisfied with the loan they receive for the current purposes, when considering different business aspirations and other life cycle needs, people desire more diverse products. The survey and FGDs revealed that people expect loans of bigger size for different needs and for making larger investments in their businesses.

As a general demand, clients also want loans at lower interest rates, which is

5.4 Priority of clients for choosing between two MFIs (n=1,080)



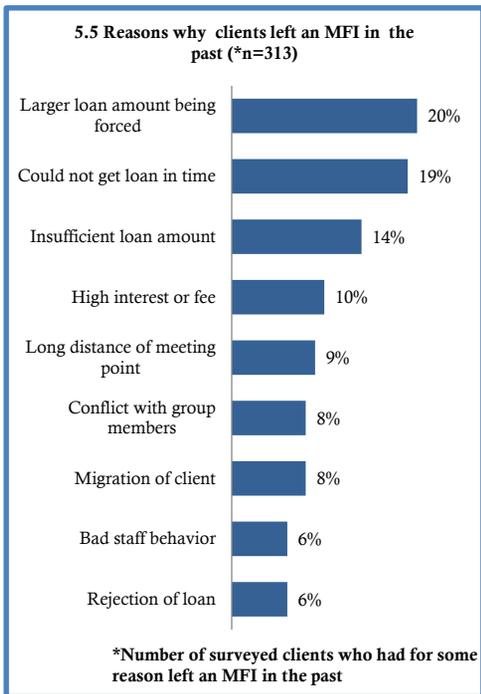
understandable. Any rational consumer would have such a demand but it must also be understood that people are not able to differentiate minor changes in interest rates. They generally compare the installment size for a particular size

of loan across MFIs, which may not always be the right way to understand and compare the cost of loan.

Reasons for Dropout

313 clients (29%) respondents had left an MFI in the past, as seen in **Figure 5.5**.

MFIs trying to give loans higher than what is required by the clients emerged as the most important reason for dropping-out followed by delay in



sanctioning loans. Insufficient loan amount was cited as the reason by 14% respondents.

This indicates that clients are very sensitive to appropriate loan amounts and timeliness of loans. These two

aspects are most critical for them in financial decision-making.

Institutional Preference for Savings Products

At present, most MFIs are not able to offer savings products. However, 80% of the clients expressed their preference to save with MFIs (if they were able to offer savings services) rather than with banks. This indicates general level of trust of clients with the MFIs and the convenience that MFIs offer over banks. Clients also relate better with MFI staff than they do with the banks' staff.

However, an interesting aspect that emerged from the study is the fact that client require a fusion of banks and MFIs to get the best of two worlds. Clients voiced preferences for direct transfer of loan amount by MFIs to bank accounts and direct debit of MFI loan installment from the bank account. Thus, clients are expecting the convenience and flexibility of MFIs on one hand and wider range of products offered by the banks on the other.

Client Voices

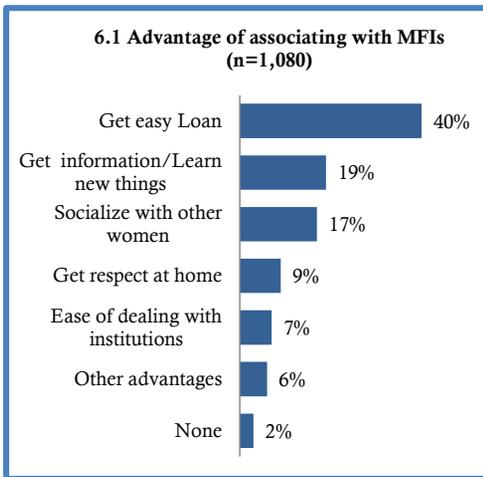
“It would be more convenient if the loan can directly be deposited in our bank account, we will draw as per our requirement”

- An MFI client in Uttar Pradesh

“Bank employee rudely talk with us, they never explain things the way MFI staffs do”

- An MFI Client in Tumkur, Karnataka

While exploring about the concerns, worries and the MFI practices, the study also explored the value that clients perceive in associating with MFIs. Following are the most important benefits perceived by the clients in associating with MFIs.



Ability to get Loans

Ability to receive loans at reasonable rates of interest is one of the most important benefits perceived by the clients. Here 'reasonable' rate of interest is defined by clients in comparison to other available sources, which are in most cases are money lenders. MFI clients, before their relationship with MFIs were forced to obtain loans at considerably higher interest rates from money lenders, often with gold jewelry as collateral. It was not uncommon for clients to lose their mortgaged gold jewelry.

However, after access to loans from MFIs, dependence on money lenders

had substantially reduced. During interactions, several clients reported that they had discontinued taking loans from money lenders after associating with the MFIs. Clients often associate money lenders with high interest rates and exploitative practices. **It emerged from the study that with spread of MFIs, the influence of money lenders has significantly gone down over the years.**

Increase in Financial Knowledge

Regular interaction with MFIs and with many MFIs also running financial literacy programs, clients overall financial knowledge has improved. Clients acknowledge that they now understand the borrowing, loan utilization, interest rates and other financial aspects significantly better than before when they were not associated with MFIs.

Improved Household Financial Position

98% of the clients found their association with MFIs useful. Clients report investing the amount obtained in income generation activities and that these activities had resulted in improving financial position of their household. In the FGDs people cited improved housing conditions (better houses) and access to amenities (toilets and water) and services (education and health) as testimony to the benefits received from their association with MFIs.

Improved Status of Women in the Household

9% clients reported that their ability to bring money through borrowings has improved their importance in their households. They now have greater say in the way household finances are managed. In most of the cases the women hand over money to their husbands and take money from them for paying their monthly installments. This requires them to question men about their businesses and track their cash flows. According to some women, the need to spare certain amounts for each installment has made men more responsible towards their businesses.

Opportunity to Socialize

Around 17% women find the opportunity to socialize with other women in the area as another benefit of associating with MFIs. The group meetings have enabled women to discuss and become aware about the issues facing their locality. This has also enhanced sense of camaraderie among members.

Increasing Aspirations and Quality of Life

One of the aspects that came to light during the study was that as the client graduate from one loan cycle to another the aspirations for better quality of life also increase. As the loans are assured,

clients start planning and aspiring for things that can improve their quality of life such as better place to live, creation of assets, better future for their children etc.

Client Voices

“Things are going fine otherwise I would have left (the MFI) long ago.”

- An MFI client in Karnataka

“The best thing (about my association with the MFI) is that I have learnt reading and writing to some extent.”

- An MFI Client in Karnataka

“I have been enlightened, that is the only thing I can say (about my relationship with the MFI)”

- An MFI Client in Varanasi

“Members take loan for their business. If they have started any micro-enterprise and suddenly the MFI moves out from here then it would be a very difficult situation for them.”

- An MFI Client in Karnataka

“Now that we have businesses and we are earning, I want to take Rs.1,00,000 as loan. We will use it to renovate our house and repair the leaking roof too. The house will then look good.”

- An MFI Client in Uttar Pradesh

Findings of the study reveal that MFI clients are largely satisfied with the processes and products of the MFIs. Over the past few years fair and respectful treatment of clients has been one of the important focus areas for MFIs. Through efforts of industry stakeholders including the RBI, banks, investors, credit bureaus, SROs and service providers, a uniform code of conduct has been defined for MFIs. The MFIs have adopted these codes in their operations and monitoring framework and mechanisms for independent validation and assessment of MFIs' adherence to these codes of conduct have been put in place.

These efforts have created certain standards and benchmarks on client protection significantly improving the quality of client interaction of MFIs.

Some of the key elements that can cause great distress to clients, as in many other countries, such as opaque pricing, arbitrary penalties, security deposits, collateral and forceful recovery practices are either eliminated or significantly reduced in context of India, due to prevailing regulations.

However, there are still areas in which MFIs can improve to enhance positive experiences of their clients and reduce their concerns and worries. Some of these are discussed below:

Flexibility in repayments: Repayment related issues have emerged as the most important source of stress for the clients.

The MFIs can consider introducing flexibility in repayment schedules to enable clients to skip installments if they are facing severe cash flow issues and pay it at a later date. Some MFIs do have such policies which have been appreciated by clients. MFIs may also explore collaborating with banks for specialized savings products to mitigate the repayment stress as is the case of SHGs, where they have regular savings in the group.

Softer approach to joint liability: Enforcement of joint liability is almost always an unpleasant experience for the clients, more so when this threatens to turn into a joint liability of a permanent nature, resulting in financial loss for good clients. MFIs can consider having policies where clients do not have to suffer losses on account of imposition of joint liability. Such policies may include rescheduling and partial write-off of loans from the borrowers who are facing difficulty in repaying their loans. In addition, the MFIs can also consider modifying the process of enforcement of joint liability so that it becomes less stressful for the clients and the community.

Repayment related issues are the most important source of stress for the clients, followed by enforcement of joint liability. MFIs can make repayment schedules more flexible and adopt policies where clients do not suffer losses on account of imposition of joint liability.

Staff training: There is scope to improve quality of trainings particularly of the loan officers. MFI loan officers are the first point of contact with clients. They need to be trained thoroughly on soft skills so that they are more polite and considerate in their interaction with clients particularly in situations of enforcing of joint liability, handling clients facing certain exigencies, or visiting client houses for follow up on overdue.

Loan amounts to be customer centric: The study indicates that appropriate loan amount and efficient loan processing are major determinants for clients for a good MFI experience. Thus, MFIs can be more sensitive towards this aspect and train their staff to focus on providing clients with correct information regarding products and to lend as per the clients' needs and not as per their own internal business targets.

Financial education of clients: MFIs can take up initiatives for enhancing the level of financial education of their clients. This will help them in understanding nuances of interest rates charged by the MFIs and comparing interest rates of different institutions in the market. MFIs may use audio-visual means or other innovative methods to improve clients' learning retention.

Internal controls: MFIs need to further improve their internal controls to ensure that MFI clients are protected from unauthorized agents, frauds as well as losses during transactions.

Sector level studies: Periodic sector level studies and projects can be conducted to solicit feedback from clients on an aggregate level. Such studies can be initiated by SROs or other relevant industry stakeholders.

S No	MFI	UP	MP	Karnataka	Tamil Nadu	Maha-rashtra	Total
1	AMPL	0	119	0	0	0	119
2	Equitas	0	0	0	48	0	48
3	ESAF	0	0	0	0	53	53
4	Fusion	61	56	0	0	0	117
5	GFS	0	0	56	0	0	56
6	IDF	0	0	43	0	0	43
7	Margdarshak	52	0	0	0	0	52
8	Saija	55	0	0	0	0	55
9	Sanghamitra	0	0	55	0	0	55
10	Satin	0	61	0	0	102	163
11	SKS	0	0	0	0	50	50
12	Suryoday	0	0	0	61	0	61
13	Ujjivan	0	0	54	0	0	54
14	Utkarsh	59	0	0	0	0	59
15	Varam	0	0	0	95	0	95
	Total	227	236	208	204	205	1,080

Client location	Total
Rural	22%
Semi-urban	40%
Urban	38%
Total	100%

Marital status	Total
Married	94%
Unmarried	1%
Divorced	1%
Widow	4%
Estranged	0%
Total	100%

Age (yrs)	Total
Upto 20	1%
20-30	29%
30-40	41%
40-50	25%
50-60	5%
More than 60	0%
Total	100%

Education	Total
Illiterate	20%
Primary	43%
Secondary	35%
Graduate	2%
PG	0%
Total	100%

Primary source of income	Total
Agriculture	22%
Labor	31%
Animal Husbandry	2%
Trading	33%
Manufacturing	2%
Service	8%
Other	3%
Total	100%

No. of MFIs borrowed from since beginning	Total
One	39%
Two	54%
Three	5%
Four	1%
More than 4	1%
Total	100%

No. of outstanding loans from different MFIs	Total
One	47%
Two	51%
Three	3%
Four	0%
More than 4	0%
Total	100%

No. of years have been borrowing from MFI	Total
Up to 3 years	70%
4 to 7 years	25%
8 to 10 years	4%
More than 10 years	1%
Total	100%

FGD agenda

1. आप लोगों को MFI के सदस्य होने के मुख्य लाभ क्या लगते हैं? पहले जब MFI नहीं थी तब से आज में क्या अंतर है?
2. अभी तक के आपके अलग अलग MFI के अनुभव में MFIs के साथ रिश्ता रखने में आपको किन बातों से सबसे ज्यादा परेशानी, चिंता या भय होता है और क्यों? (Hint: staff behavior, agents, bribes, risk of default, frequent meetings, discord among family or society, over-indebtedness)
3. आपकी नजर में एक अच्छी MFI में सबसे जरूरी क्या-क्या होना चाहिए और क्या नहीं होना चाहिए?
4. MFI के लोन देने की प्रक्रिया में आपको सबसे ज्यादा किन बातों से परेशानी होती है? (Hint: trainings, loan amount, loan processing, uncertainty of loan, Joint liability, utilization check, strictness on repayment)
5. अगर आपको MFI के किसी प्रोसेस या पालिसी को बदलना हो तो क्या बदलेंगी और क्यों?
6. क्या MFI द्वारा दिए गए लोन से आपकी जरूरतें पूरी होती हैं? अगर नहीं तो क्या कारण है?
 - a. लोन देने से पहले क्या आपको MFI द्वारा पूरी जानकारी दी जाती है? क्या आप उतनी जानकारी से संतुष्ट हैं?
7. क्या आपको लोन रिजेक्ट होने की स्थिति में कारण बताया जाता है? और क्या आपके निजी दस्तावेज वापस होते हैं?
8. क्या आपको जानकारी है की आपके निजी दस्तावेज किन किन के साथ बाटें जाते हैं? क्या आपके निजी दस्तावेजों या निजी जानकारी की गोपनीयता आपके ले महत्वपूर्ण है?
9. आप क्रेडिट ब्यूरो के बारे क्या जानती है?
10. लोन लेने के लिए किसीको पैसा देना कितना common है?
11. MFI के स्टाफ का व्यवहार कैसा रहता है? स्टाफ से आपको कभी परेशानी होती है? ज्यादातर क्या परेशानी होती है और किन हालातों में?
12. आपके अभी तक के अनुभव में overdue recovery के दौरान MFI स्टाफ का व्यवहार कैसा रहता है? क्या परेशानी होती है ?
13. समूह को जो लोन की सामूहिक जिम्मेदारी उठानी होती है उसपे आपका क्या मत है? अगर MFI सबको बड़ा लोन दे तो आप क्या तरीका पसंद करेंगी और क्यों - सामूहिक जिम्मेदारी वाला तरीका या अकेले लोन लेने वाला तरीका?
14. मीटिंग में जो बार बार आना होता है क्या आप उससे संतुष्ट हैं? क्या बड़े लोन के लिए भी आपक बार बार मीटिंग में आना चाहेंगी?
15. क्या आप जानती हैं की कोई परेशानी होने की स्थिति में आप कहाँ शिकायत कर सकती हैं? क्या शिकायत प्रणाली ठीक से काम करती है? आपका अभी तक का अनुभव क्या रहा है?
16. क्या किन्ही स्थिति में MFI लोन की अवधी या लोन वापसी की frequency में बदलाव करते हैं? क्या किन्ही स्थिति में बदलाव करना चाहिए?
17. अगर MFI में बचत भी कर सकते तो क्या आप करते, और क्यों ?

Questionnaire: Voices from the field

(The questions should be asked not specific to a MFI but on overall experience of the client in dealing with MFIs so far)

1 MFI:		2 Date:		3 District:		4 State:		
5 क्लाइंट नाम:		6 उम्र:		7 शिक्षा:	अनपढ़	प्राइमरी	सेकंडरी	ग्रेजुएट
8 कितने साल से किसी भी MFI के क्लाइंट हैं?			9 आज तक आप कितनी MFI की क्लाइंट रह चुकी हैं?					
10 MFI के साथ जुड़ने से क्या सबसे बड़ा लाभ लगता है?		लोन मिलता है	और महिलाओं से मिलने और बात-चित का अवसर मिलता है		घर में सम्मान मिलता है	लोन के आलावा और भी कई जानकारी मिलती है		
11 MFI के साथ जुड़ने से दूसरा क्या बड़ा लाभ लगता है?		लोन मिलता है	और महिलाओं से मिलने और बात-चित का अवसर मिलता है		घर में सम्मान मिलता है	लोन के आलावा और भी कई जानकारी मिलती है		
12 MFI से लोन लेने के लिए क्या आपके पति या परिवार की रजामंदी होती है?		पूरी तरह से	उनको मनाना पड़ता है		नहीं होती	बिलकुल नहीं होती		
13 MFI से जुड़ने से सबसे ज्यादा चिंता या भय किस चीज़ का रहता है?		लोन समय से न चूका पाने का	दूसरों के लोन की जिम्मेदारी लेने का	स्टाफ के बदतमीजी या बुरे वर्ताव का		लोन से सम्बंधित अन्य सदस्यों या गाँव वालों से लड़ाई या झगड़े का		
		ग्रुप में झूठा लोन, या लोन का गलत उपयोग करने वाली अन्य महिलाओं के आने का	MFI स्टाफ या गाँव के कोई और लोगो का लोन देने के लिए अवैध पैसा मांगने का		लोन समय से न चूका पाने से MFI के द्वारा कार्यवाही का	कोई भय या चिंता नहीं रहती		
14 MFI से जुड़ने से दूसरा सबसे ज्यादा चिंता या भय किस चीज़ का रहता है?		लोन समय से न चूका पाने का	दूसरों के लोन की जिम्मेदारी लेने का	स्टाफ के बदतमीजी या बुरे वर्ताव का		लोन से सम्बंधित अन्य सदस्यों या गाँव वालों से लड़ाई या झगड़े का		
		ग्रुप में झूठा लोन, या लोन का गलत उपयोग करने वाली अन्य महिलाओं के आने का	MFI स्टाफ या गाँव के कोई और लोगो का लोन देने के लिए अवैध पैसा मांगने का		लोन समय से न चूका पाने से MFI के द्वारा कार्यवाही का	कोई भय या चिंता नहीं रहती		
15 MFI से जुड़ने से तीसरा सबसे ज्यादा चिंता या भय किस चीज़ का रहता है?		लोन समय से न चूका पाने का	दूसरों के लोन की जिम्मेदारी लेने का	स्टाफ के बदतमीजी या बुरे वर्ताव का		लोन से सम्बंधित अन्य सदस्यों या गाँव वालों से लड़ाई या झगड़े का		
		ग्रुप में झूठा लोन, या लोन का गलत उपयोग करने वाली अन्य महिलाओं के आने का	MFI स्टाफ या गाँव के कोई और लोगो का लोन देने के लिए अवैध पैसा मांगने का		लोन समय से न चूका पाने से MFI के द्वारा कार्यवाही का	कोई भय या चिंता नहीं रहती		
16 MFI से लोन की पूरी प्रक्रिया आपको कैसी लगती है?			बहुत सरल और आसान		सामान्य	मुश्किल	बहुत मुश्किल	
17 लोन लेने की प्रक्रियाओं में आपको सबसे मुश्किल क्या		शुरू की 2-3 दिन की ट्रेनिंग	कागज़ या दस्तावेज़ देना	घर, परिवार, आमदनी की जानकारी देना	बार-बार मीटिंग में आना	MFI के ऑफिस जाना		

लगता है?	लोन के लिए दूसरी महिलाओं की जिम्मेदारी लेना	बार बार लोन की क्रिस्ट चुकाना	किस आपात स्थिति में भी लोन वापस करना	स्टाफ का घर पे या काम के स्थान पे आना	कुछ मुश्किल नहीं लगता
18 लोन लेने की प्रक्रियाओं में आपको दूसरा सबसे मुश्किल क्या लगता है?	शुरू की 2-3 दिन की ट्रेनिंग	कागज़ या दस्तावेज़ देना	घर, परिवार, आमदनी की जानकारी देना	बार-बार मीटिंग में आना	MFI के ऑफिस जाना
	लोन के लिए दूसरी महिलाओं की जिम्मेदारी लेना	बार बार लोन की क्रिस्ट चुकाना	किस आपात स्थिति में भी लोन वापस करना	स्टाफ का घर पे या काम के स्थान पे आना	कुछ मुश्किल नहीं लगता
19 MFI लोन लेने की प्रक्रियाओं में आपको सबसे अच्छा क्या क्या लगता है?	सरल लोन प्रक्रिया	MFI का गाँव में आकर लोन वापस लेना	लोन की सही जानकारी देना	स्टाफ का अच्छा व्यवहार	
20 लोन सम्बन्धी आपको सबसे ज्यादा परेशानी किससे होती है?	लोन राशी का प्रयाप्त न होना	लोन किसी आपात स्थिति के लिए या व्यवसाय के अलावा अन्य जरूरत के लिए नहीं मिलता	कई अवसर पर लोन रिजेक्ट होना	लोन की प्रक्रिया लम्बी होती है	लोन वापसी की frequency क सही न होना
	व्याज दर और फीस का ज्यादा होना	लोन के लिए दूसरों की जिम्मेदारी लेना	लोन के लिए मीटिंग में बार बार आना	लोन सम्बन्धी MFI का पूरी जानकारी ना देना	कोई परेशानी नहीं होती
21 लोन सम्बन्धी आपको दूसरी सबसे ज्यादा परेशानी किससे होती है?	लोन राशी का प्रयाप्त न होना	लोन किसी आपात स्थिति के लिए या व्यवसाय के अलावा अन्य जरूरत के लिए नहीं मिलता	कई अवसर पर लोन रिजेक्ट होना	लोन की प्रक्रिया लम्बी होती है	लोन वापसी की frequency क सही न होना
	व्याज दर और फीस का ज्यादा होना	लोन के लिए दूसरों की जिम्मेदारी लेना	लोन के लिए मीटिंग में बार बार आना	लोन सम्बन्धी MFI का पूरी जानकारी ना देना	कोई परेशानी नहीं होती
22 MFI द्वारा लोन amount से क्या आप संतुष्ट हैं?	हाँ	नहीं, क्योंकि लोन कम मिलता है	नहीं, क्योंकि लोन जबरदस्ती ज्यादा देते हैं		
23 MFI के लोन की अवधि से क्या आप संतुष्ट हैं?	हाँ	नहीं, क्योंकि अवधि ज्यादा लम्बी होती है	नहीं, क्योंकि अवधि छोटी होती है		
24 लोन वापस करने की (frequency) से क्या आप संतुष्ट हैं?	हाँ	नहीं, वापसी बहुत जल्दी जल्दी होती है	वापसि बहुत देर देर से होती है		
25 आप लोन वापसी किस दर (frequency) से चाहते हैं?	दैनिक (Daily)	साप्ताहिक (Weekly)	दो हफ्ते (Fortnightly)	मासिक (Monthly)	
26 अगर MFI सदस्यों को बड़ा लोन दे रही हो तो और अगर आप चयन कर सकते हैं तो आप कौन सा तरीके वाला लोन लेंगी?	सामूहिक जिम्मेदारी वाला (JLG)		अकेले लोन वाला (individual loan)		
27 लोन देने से पहले क्या आपको हमेशा पूरी जानकारी दी जाती है?	हमेशा	ज्यादातर	कभी-कभार	कभी नहीं	
28 लोन रिजेक्ट (मना) होने की स्थिति में क्या आपको कारण बताया जाता है?	हमेशा	ज्यादातर	कभी-कभार	कभी नहीं	
29 लोन रिजेक्ट होने पे क्या आपको आपके दस्तावेज़ वापस मिलते हैं?	हमेशा	ज्यादातर	कभी-कभार	कभी नहीं	

30 MFI द्वारा आपसे ली गयी निजी जानकारी और दस्तावेज किस के साथ बाँटे जाते हैं?	किसी के नहीं, यह गुप्त रखे जाते हैं	केवल क्रेडिट ब्यूरो से	किसी के भी साथ बाँट सकते हैं	नहीं जानते	
31 क्या आप चाहती हैं की आप से ली गयी पारिवारिक जानकारी या दस्तावेज किसी और से बाँटे जाएँ?	किसी से भी बाँट सकते हैं, हमें फर्क नहीं पड़ता	नहीं, सिर्फ अधिकारिक लोगो से बाँट सकते हैं	हम चाहते हैं किसी से भी बाँटने से पहले हमसे पूछें	बिलकुल नहीं चाहते किसी से भी बाँटे	
32 क्या आप प्रभावी ब्याज दर (effective interest rate) जानती हैं? (अगर महिला सही ब्याज दर बता पाए तो ही 'हाँ' लिखें)				हाँ	नहीं
33 क्या आप से ली जाने वाली फीस या इन्सुरांस के पैसे की जानकारी है?				हाँ	नहीं
34 क्या आपको MFI हर पैसे के देने का प्रमाण (रशीद या लोन कार्ड पे sign) मिलता है?	हमेशा	ज्यादातर	कभी-कभार	कभी नहीं	
35 क्या कभी भी लोन लेने के लिए आपको फीस के अलावा किसी को भी अनियमित पैसे देने की जरूरत पड़ी है?	हमेशा	ज्यादातर	कभी-कभार	कभी नहीं	
36 क्या आपको शिकायत निवारण की प्रक्रिया पता है? (अगर महिला शिकायत करने का तरीका या फोन नंबर बता सके या नंबर कहाँ लिखा है बता सके तो 'हाँ' लिखें)				हाँ	नहीं
37 क्या आपने कभी अपनी असुविधा के लिए MFI ऑफिस में शिकायत करी है?		बहुत बार	कुछ बार	कभी नहीं	
38 क्या शिकायत करने पर समस्या का निदान हुआ?	हाँ	नहीं	शिकायत नहीं करी		
39 अगर कभी शिकायत नहीं करी तो इसका कारण?	शिकायत करना नहीं जानते	शिकायत करने से डरते हैं की स्टाफ से रिश्ता खराब हो जायेगा	कभी शिकायत की जरूरत नहीं पडी	शिकायत करी है	
40 क्या कभी किसी MFI स्टाफ ने आपको डराया, धमकाया या अभद्र तरीके से बात की है?			बहुत बार	कुछ बार	कभी नहीं
41 MFI स्टाफ से आजतक का आपका अनुभव कैसा रहा है?	सब खराब मिले हैं	ज्यादातर खराब मिले हैं	बहुत कम ही खराब मिले हैं	कोई कभी खराब नहीं मिला	
42 क्या आपको क्रेडिट ब्यूरो (credit bureau) की जानकारी है? (क्रेडिट ब्यूरो की जानकारी देने पर ही response खुद मार्क करें)	कभी नहीं सुना	थोडा जानते हैं	मुख्य बाते जानते हैं	ज्यादातर बाते जानते हैं	
43 लोन पास ना होने की स्थिति में ज्यादातर क्या करते हैं (एक से ज्यादा पे टिक कर सकते हैं)?	कुछ नहीं करते	दूसरी MFI से लेते हैं	दस्तावेज या ID बदल कर फिर से apply करते हैं	MFI स्टाफ ही तरीका बता देते हैं	ऐसा कभी नहीं हुआ
44 क्रेडिट ब्यूरो के बारे में आपकी क्या राय है?	CB नहीं जानते	यह फायदेमंद है	यह नुकसानदायक है, लोन लेने में परेशानी आती है	यह नुकसानदायक है अन्य कारण से	
45 क्रेडिट ब्यूरो में फेल होने का कारण क्या सही होता है?	हमेशा सही होता है	ज्यादातर सही होता	ज्यादातर गलत होता है	हमेशा गलत ही होता है	CB नहीं जानते
46 आपने पहले कभी कोई MFI मुख्य किस कारण से छोड़ी है (एक से	कभी नहीं छोडी	लोन समय से ना मिलने के कारण	लोन प्रयास न मिलने के कारण	लोन मना हो जाने के कारण	पलायन के कारण

ज्यादा पे टिक कर सकते हैं?)	लोन पे ब्याजदर या फीस ज्यादा होने के कारण	स्टाफ के बुरे व्यवहार के कारण	मीटिंग स्थल दूर होने के कारण	ग्रुप मेंबरों से झगडे के कारण	आवश्यकता से ज्यादा लोन जबरदस्ती देना	अन्य कारण
47 अगर आपको किन्ही दो MFI में से एक का सदस्य बनना हो तो चयन के लिए सबसे ज्यादा महत्वपूर्ण क्या होगा?	जो MFI ज्यादा लोन दे सके	जो MFI कम ब्याज और फीस पर दे लोन दे सके	जो MFI जल्दी लोन दे सके	जिस MFI के स्टाफ का वर्ताव और व्यवहार आदरपूर्ण हो		
	जो MFI लोन पारदर्शी हो- लोन की सही और पूरी जानकारी दे	जो MFI समूह की जिम्मेदारी न उठाने को कहे	जो MFI बार बार मीटिंग पे आने को न कहे	जो MFI व्यवसाय के अलावा और जरूरतों के लिए भी लोन दे सके		
48 अगर आपको किन्ही दो MFI में से एक का सदस्य बनना हो तो चयन के लिए सबसे ज्यादा महत्वपूर्ण क्या होगा?	जो MFI ज्यादा लोन दे सके	जो MFI कम ब्याज और फीस पर दे लोन दे सके	जो MFI जल्दी लोन दे सके	जिस MFI के स्टाफ का वर्ताव और व्यवहार आदरपूर्ण हो		
	जो MFI लोन पारदर्शी हो- लोन की सही और पूरी जानकारी दे	जो MFI समूह की जिम्मेदारी न उठाने को कहे	जो MFI बार बार मीटिंग पे आने को न कहे	जो MFI व्यवसाय के अलावा और जरूरतों के लिए भी लोन दे सके		
49 ऊपर के प्रश्न में ही चयन के लिए तीसरा सबसे महत्वपूर्ण क्या होगा?	जो MFI ज्यादा लोन दे सके	जो MFI कम ब्याज और फीस पर दे लोन दे सके	जो MFI जल्दी लोन दे सके	जिस MFI के स्टाफ का वर्ताव और व्यवहार आदरपूर्ण हो		
	जो MFI लोन पारदर्शी हो- लोन की सही और पूरी जानकारी दे	जो MFI समूह की जिम्मेदारी न उठाने को कहे	जो MFI बार बार मीटिंग पे आने को न कहे	जो MFI व्यवसाय के अलावा और जरूरतों के लिए भी लोन दे सके		
50 आपदा या दुर्घटना वाली स्थिति में क्या MFI ने कभी आपके लोन के समय अवधि में परिवर्तन किया है?	बहुत बार	कुछ बार	कभी नहीं	ऐसी आपदा की स्थिति कभी नहीं आई		
51 दुर्घटना या कोई भी आपदा में लोन वापसी के आपके अनुसार क्या किया जाना चाहिए?	लोन की अवधि बदल सकते हैं	कुछ हफ्ते या महीने के लिए किश्त रोक सकते हैं	दोस्तों/रिश्तेदारों से उधार लेकर किश्त भरना चाहिए	सामान बेच या घर के खर्चे रोक कर किश्त चुकाना चाहिए		
52 किसी भी MFI के साथ आपका अब तक का सबसे खराब अनुभव क्या रहा है?	स्टाफ द्वारा धमकाना, डांटना या बदतमीजी करना	लोन पास करने के लिए पैसे इत्यादि मांगना	लोन के लिए बार बार ऑफिस के चक्कर कटवाना	लोन की वजह से परिवार या समाज से झगडा होना	सामूहिक जिम्मेदारी जे तहत किस दुसरे के लोन को भरवाना	कभी कोई खराब अनुभव नहीं रहा
53 अगर MFI में बचत करने की सहूलियत हो तो बचत के लिए आप किसको चुनेंगे?				बैंक		MFI



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