



### **Relief measures to farmers affected by Natural calamities-Conversion of ST (SAO) loans into Medium Term loans-Refinance Policy for the year 2010-11- Rate of Interest charged by State Cooperative Banks (SCBs) and Regional Rural Banks (RRBs)**

The rate of interest charged by NABARD to SCB/RRBs on MT (Conversion)/Rephasing/Rescheduling has been fixed at 3% less than that charged by the Banks to the ultimate beneficiary subject to a minimum interest rate of 6% and subject to the banks following the RBI guidelines. The revised rate of interest will be applicable to MT(Conversion)/Rephasing/Rescheduling of loans sanctioned in terms of the policy for MT (Conversion) / Rephasing / Rescheduling of loans approved for 2010-11.

*(Ref.NB.PCD(Policy)/1383&1385/A.10/2010-11 dated 07 December 2010. Circular Nos.237 & 238 /PCD-20&21 /2010)*

### **Setting up of Financial Literacy and Credit Counseling Centres (FLCC) – Support to Lead Banks from Financial Inclusion Fund**

The broad features of the FLCC may be as under;

- i. To provide financial counselling service through face-to-face interaction as well as through other available media like e-mail, fax, mobile, etc as per convenience of the interested persons, including education on responsible borrowing, proactive and early savings, and offering debt counselling to individuals who are indebted to formal and/or informal financial sectors;
- ii. To educate people in rural and urban areas with regard to various financial products and services available from the formal financial sector;
- iii. To make people aware of the advantages of being connected with the formal financial sector;
- iv. To formulate debt restructuring plans for borrowers in distress and recommend the same to formal financial institutions, including cooperatives for consideration;
- v. To take up any such activity that promotes financial literacy, awareness of banking services, financial planning and amelioration of debt related distress of an individual.

It has been decided to support Lead Banks in 256 financially excluded districts and 10 disturbed districts for setting up of FLCC subject to following conditions:

- a) The FLCC is to be located outside the premises of the lead bank of 266 districts.
- b) The bank may give a certificate that the FLCC is providing advice to all customers and is bank neutral.
- c) A third party evaluation may be done after two years to evaluate the performance of FLCC.
- d) The duties and responsibilities of FLCC may be prescribed.
- e) The FLCC may have tie up arrangement with telecom providers to give financial literacy programmes through mobile SMS.
- f) The FLCC activities may lead to opening of bank accounts and provision of other financial services.
- g) Possibility of having a call centre in the FLCC may be explored.
- h) Sufficient literature in local language may be made available on various products and process requirements.

(Ref.NB.FID/1691/FI-01/2010-11 dated 09 Dec. 2010. Circular No.239 /FID –19 /2010)

### **Support for Core Banking Solution for weak RRBs for Financial Inclusion from Financial Inclusion Technology Fund (FITF)**

It has been decided to extend financial support for Core Banking Solution (CBS) to 28 weak RRBs to the extent of 40% from Financial Inclusion Technology Fund (FITF) with the balance to be borne by Sponsor banks and RRBs in the ratio 50:10 respectively.

2. In order to avail of this support, the following documents are required to be submitted to NABARD's respective Regional Offices:

- i. Board Resolution approving the cost of the Bank' proposal for CBS;
- ii. Sponsor Bank' willingness to bear 50% of the cost of the CBS expenditure;
- iii. Bank' willingness to bear 10% of the expenditure;

(Ref.NB.FID/1824 /FI-01/2010-11 dated 10 December 2010. Circular No.242/FID–21/2010)

### **Support for Capacity Building of Business Correspondents (BCs) / Business Facilitators (BFs) from Financial Inclusion Fund (FIF) through FINO Fintech Foundation (FFF)**

In order to create a pool of competent, informed and trained persons who could be engaged as Business Correspondents (BCs) and Business Facilitators (BFs) by the banks or as Customer Service Providers (CSPs), it has been decided by NABARD, in collaboration with FINO Fintech Foundation (FFF) to support capacity building of Business Correspondents / Business Facilitators through a certification course. The course will be conducted by FFF at the State / District level.

The *modus operandi* of the scheme is as under :

- i. The candidates who are engaged as BC / BF with Banks or as Customer Service Providers (CSPs) of the agency engaged or whose services are used by banks as the BC, for the purpose of financial inclusion, are eligible for undertaking the course.
- ii. Support from FIF will be provided to the candidates to meet the cost of the certificate course of FFF. Bank has to give a certificate indicating that the candidate has successfully completed the course to claim reimbursement under the scheme.
- iii. The support is for training 20000 candidates in a period of 2 years and the training will be for 3 days @ `1000/- per day per BC / BF.

*(Ref.NB/FI /1960/FI-47(R) /2010-11 dated 14 December 2010. Circular No.250/FID-23 /2010)*

#### **Invitation of quotation / tender and awarding the work - enhancement of limit**

Due to substantial increase in the cost of materials, it has been decided that the limit of small works which are being awarded after ascertaining the reasonableness of rates, without calling competitive quotations, be enhanced from `10,000/- to `1,00,000/-. The competent approving authority for awarding each works will be sanctioning authority for expenditure as per NABARD Expenditure Rules -2008.

*(Ref.No.NB. PD/ 1153 /40 Policy/2010-11 dated 07 December 2010.Circular No. 236 /PD 04 /2010)*

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