



## Small Business Group

This loan is aimed at traders with consistent daily, weekly and/or monthly cash flows. This loan requires a group guarantee and collateral pledged to the group. Repayments allow for flexibility according to the cash flow patterns of the business and the maximum term is 12 months.

Description	Small Business Group
<b>Clientele</b>	Traders with consistent daily, weekly and/or monthly cash flows
<b>Loan Guarantee</b>	Social guarantee + collateral pledged to group
<b>Loan Amounts</b>	Loan Range for First Time Borrowers: K1,000 - K4,000 Loan cycle 2: Maximum 50% from the previous first cycle (or K4,000 when the first loan < 4000) Loan Cycle 3 Onwards: Max. 50% increase and always ≤ K10,000
	<b>Minimum</b> loan amount: K1,000
	<b>Maximum</b> loan amount: K10,000
<b>Maximum Term</b>	12 months (and same term for all members in VB/SBGL)
<b>Group Size</b>	Only 8 - 10 members in the SBGL group in cycle 1 and 5-10 clients in cycle 2
<b>Repayment amount and frequency</b>	Monthly fixed principal, declining interest
<b>Interest rate (Declining balance method)</b>	4.5%
<b>Loan application fee + insurance</b>	14% of loan amount (up-front)
<b>Collateral</b>	Pledged collateral to group (Flexi 2 and SBGL)
<b>Prepayment penalties</b>	None
<b>Grace period</b>	None