



## End of Term Loan (EoT)

This loan is aimed at predominantly farming households with seasonal cash flows to stimulate agribusiness activities. This product does not require physical collateral and is guaranteed by the Village Bank and offers a term of up to 12 months. Each member of the Village Bank is offered the same terms.

Description	End Of Term
<b>Clientele</b>	Farming households with seasonal (lumpy) cash flows
<b>Loan Guarantee</b>	Social guarantee – No need for physical collateral or guarantors
<b>Loan Amounts</b>	Loan Cycle 1: Maximum Loan of K 1,000
	Loan Cycle 2: Maximum 50% increase from previous loan (K1,001 - K1,500)
	Loan Cycle 3 Onwards: Max. 50% increase and always K1,500 to ≤ K 2,500
	<b>Minimum</b> loan amount: K 500
	<b>Maximum</b> loan amount: K2,500
<b>Maximum Term</b>	12 months (and same term for all members in VB/SBGL)
<b>Group Size</b>	Village bank with 5 - 10 groups (each group 5-10 members)
<b>Repayment amount and frequency</b>	Monthly interest and lump sum/principal on (or before) the end-of-term
<b>Interest rate (Declining balance method)</b>	4.5%
<b>Loan application fee + insurance</b>	14% of loan amount (up-front)
<b>Collateral</b>	None
<b>Prepayment penalties</b>	None
<b>Grace period</b>	None