



Flexi 1

This loan is aimed at households with more stable businesses and flexible cash flows. These clients include farming and non-farming households with consistent daily, weekly and monthly cash flows. This product does not require physical collateral and is guaranteed by the Village Bank. Repayments allow for flexibility according to the cash flow patterns of the business and the maximum term is 12 months.

Description	Flexi 1
Clientele	Farming and Non-Farming households with more regular cash flows
Loan Guarantee	Social guarantee – No need for physical collateral or guarantors
Loan Amounts	Loan Cycle 1: Maximum Loan of K 1,500 Loan Cycle 2: Maximum 50% increase from previous loan (or K1,500 when the first loan <K1500) Loan Cycle 3 Onwards: Max. 50% increase and always ≤ K 3,000
	Minimum loan amount: K 500
	Maximum loan amount: K3,000
Maximum Term	12 months (and same term for all members in VB/SBGL)
Group Size	Village bank with 5 - 10 groups (each group 5-10 members)
Repayment amount and frequency	Monthly fixed principal, declining interest
Interest rate (Declining balance method)	4.5%
Loan application fee + insurance	14% of loan amount (up-front)
Collateral	None
Prepayment penalties	None
Grace period	None