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SECP's loan rescheduling permission to NBMFCs benefits 0.9m borrowers

ISLAMABAD: The SECP's permission to non-bank microfinance companies (NBMFCs) to reschedule the loan portfolio, not only has helped the NBMFCs to adjust their portfolio at risk but also resulted in extending relief to 932,862 individuals and micro-enterprises who have borrowed over 17 billion rupees from non-bank microfinance companies (NBMFCs), as reported on May 31.

Out of these, 796,893 borrowers were facilitated through deferment of principal repayments of over Rs 13.1 billion by six NBMFCs, while 135,969 borrowers benefited through rescheduling the loans of Rs 3.9 billion by four NBMFCs.

On March 31, the SECP had relaxed the regulatory requirements for non-bank finance sector allowing them to defer or reschedule the loan repayments to their borrowers. It was part of SECP's efforts to provide relief for mitigating adverse effects of Covid-19 pandemic and ensuing lockdowns. The SECP had also urged the NBMFCs to adopt a considerate approach to accommodate the borrowers who belong to either unprivileged or underprivileged segments.