

BANA India – Policy relating to Lending to Micro and Small Enterprises

Bank of America N.A. (India Branches) or “the Bank” is a member of Banking Code and Standards Board of India (BCSBI).

BCSBI has been established as an autonomous and independent body that would ensure that banks in India adhere to the Code which sets minimum standards for fair and transparent treatment of Micro and Small Enterprises availing of banking services.

The Bank has adopted the Code of Bank’s Commitment to Micro and Small Enterprises. As part of the requirement of the MSE Code, Bank has devised its Policy relating to Lending to Micro and Small Enterprises (MSE).

Definition:

The MSMED Act, 2006 means ‘Micro, Small and Medium Enterprises Development (MSMED) Act, 2006’ as notified by the Government of India on June 16, 2006 and the amendments, if any, carried out therein by the Government of India from time to time

Category	Manufacturing Enterprise (Investment in Plant & Machinery excluding land and building)	Services Enterprise (Investment in equipment)
Micro Enterprises	Up to INR 25 lakhs	Up to INR 10 lakhs
Small Enterprises	Above INR 25 lakh and up to INR 500 lakh	Above INR 10 lakh and up to INR 200 lakh

MSE Policy Guidelines

Scope	Loans given to Micro and Small Enterprises under the lending program for the following products would be governed by this policy <ul style="list-style-type: none"> • Term Loans • Working Capital Loans • Bills Purchase/Discounting under L/C or outside L/C • Export Finance • Non-funded facilities – Letter of Credit / Bank Guarantees
Loan Size	Up to INR 200 lakhs
Time norms for disposal of loan application from date of receipt	<ul style="list-style-type: none"> • Credit limit up to INR 5 lakh within 2 weeks • Credit limit above INR 5 lakh and up to INR 25 lakh within 3 weeks • Credit limit above INR 25 lakh within 6 weeks <p><i>provided application is complete in all respects and is accompanied by documents as per ‘check list’ provided</i></p>
Pricing	The pricing for lending products is based on various parameters like risk profile of the customer, type of product, income profile etc. The bank is not currently a Member Lending Institution of the Trust under the CGTMSE scheme (credit guarantee cover).
Collateral security	Up to INR 10 lakhs without any collateral or up to the limits specified by the Reserve Bank of India, from time to time (for unsecured loans). We will consider collateral free limit up to a loan amount of INR 25 lakhs basis sound track record and financial position.

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Prepayment	Fixed-rate loans: up to INR 50 lakh prepayment permitted without penalty Floating Rate Loans – prepayment permitted without penalty if done on interest reset date
Grievance Redress Process	The bank has a Grievance Redressal mechanism for all customers in place where any complaints received from MSE customers are also monitored and resolved. The bank adheres to the Code of Commitment to MSE customers issued by the Banking Code and Standards Board of India in this regard as well.
Exception Process	Any changes/ exceptions to this guidelines, must be approved by the Corporate Banking Head and through notification to LMT
Credit Proposal Tracking System	A centralised loan application tracking MIS is in place to track MSE lending. The respective bank branch will be in touch with the customer and will provide regular updates with regards to the application status. While currently we don't have online tracking available at customer's end, the application status changes are tracked manually through the unique application serial number, where applicable, and intimated to the customer via email.
Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)	As per RBI - Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises' dated March 17, 2016, for MSMEs having loan limits up to Rs. 25 crores, a committee as envisaged in the said circular will be constituted, with LMT approval, if the need were to arise
Effective Date	These guidelines are effective immediately
Version Date	May 2018