



From:  
Smt. Anita Ramachandran I.A.S.  
Mission Director  
MEPMA  
Hyderabad.

To:  
The Project Directors  
& AC UCDs of GHMC  
GVMC & VMC

Lr. Roc. No. 40 / BL / 2010- 11 Dtd. 25-06-2013

Sub: MEPMA – SJSRY Scheme - Insisting of Collateral guarantee by Banks for sanction of loans under USEP/UWSP Programme – contrary to RBI guidelines – Reg :-

It is brought to my notice that most of the Bank Managers in the urban areas are insisting the beneficiaries of SHGs ( individual / group loans ) to offer collateral guarantee i.e. Building / landed property for sanction of loans under USEP / UWSP programmes of SJSRY, contrary to the R.B.I. guidelines.

In the R.B.I. guidelines, it is clearly mentioned that USEP / UWSP loans would not require any collateral guarantee and only assets created would be hypothecated / mortgaged / pledged to the Bank advancing the loans.

Project Directors / DLHs are therefore advised to discuss the above matter in the SLF / TLF meetings and take up the specific cases-ULB / Bank wise with the Dist. Coordinators / Controllers of Banks / LDM / District Collectors and see that collateral guarantee is not stipulated by the Banks while considering sanction of loans under USEP / UWSP and request the Bank Managers to adhere to the R.B.I. guidelines.

  
Mission Director  
MEPMA.

S. Arun  
D.L.H.  
25/6/13  
Sp. BL

9<sup>th</sup> 25/6/13  
AMD.