

Questions and Answers on *Pembiayaan Mikro*

1. What is microfinancing (*Pembiayaan Mikro*)?

- Microfinancing is small business loans up to RM50,000 for micro enterprises and self employed individuals. Microfinancing is meant for business financing only, such as for working capital and for capital expenditure. It is not a personal loan.

2. What are micro enterprises?

- The National SME Development Council (NSDC) defines micro enterprises as businesses with:
 - Less than RM300,000 annual sales turnover; OR
 - Less than five full-time employees

3. Who is eligible for microfinancing?

- All micro enterprises and self employed individuals with viable businesses.
- Microfinancing is available to businesses in all economic sectors. Certain participating financial institutions may provide microfinancing facilities to borrowers in specific sectors only.

4. Who are the participating financial institutions that offer microfinancing?

- There are three development financial institutions namely Bank Pertanian Malaysia Berhad (Agrobank), Bank Kerjasama Rakyat Malaysia Berhad and Bank Simpanan Nasional.
- A total of seven banking institutions namely Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Public Bank Berhad, Malayan Banking Berhad, United Overseas Bank (Malaysia) Bhd and Bank Muamalat Malaysia Berhad.

5. Where can I apply for microfinancing?

- At branches and affiliates/agents of participating financial institutions that display the National Microfinance Logo. Loan applications will be assessed and processed by the respective participating financial institutions.

Questions and Answers on *Pembiayaan Mikro*

- To obtain further information on where to apply for microfinancing, customers are advised to contact the relevant participating financial institutions that provide microfinancing. Refer to the [Comparative Table on Microfinance Product Features](#) for Hotline numbers of each participating financial institution.

6. How does the National Microfinance Logo look like?



7. What are the key features of microfinancing?

- Loan Size : up to RM50,000
- Purpose of Financing : Business purposes i.e. for working capital or capital expenditure.
- Loan Tenure : Varies from 1 month to 7 years
- Collateral Requirement : No collateral is required
- Loan Application : Simple application form
- Loan Documentation : Minimal documents, such as:
 - Identity Card
 - Proof of business (i.e. business registration/ license/permit)
 - Proof of income (i.e. bank statement)
 - Utility bills (i.e. electricity, water, phone bills)

To refer to the [Comparative Table on Microfinance Product Features](#) for more details on eligibility criteria for each participating financial institution.

Questions and Answers on *Pembiayaan Mikro*

8. Do I need to have a guarantor?

- Most participating financial institutions do not require any guarantors.
- Some financial institutions will require guarantors when the loan applied for is above a certain amount.

9. What is the interest/financing rate charged on microfinancing loans?

- Interest/financing rates are set by the respective participating financial institutions based on assessment of the borrower's risk profile.
- The participating financial institutions will be able to provide more detailed information on the interest/financing rates and product features of their microfinancing products.

10. How long will it take to approve my loan application?

- The target set by the Government is microfinancing to be approved at an average of six days from the submission of complete information/document.
- For information on the committed loan approval time at each participating financial institution, refer to the [Comparative Table on Microfinance Product Features](#).

11. Is there a special preference for microfinancing apart from the basic lending criteria as mentioned above?

- No. All viable micro businesses are eligible for microfinancing, and approval of loan applications will rely solely on creditworthiness of borrowers.

12. Who should I contact if I encounter difficulties in applying for microfinancing or have related issues?

- If you have any difficulties applying for microfinancing at any of the branches or affiliates/agents of the participating financial institutions offering microfinancing, contact the financial institutions' hotline to seek assistance.
- For Hotline numbers of each participating financial institution, refer to the [Comparative Table on Microfinance Product Features](#).