



IDYDC -MICROCREDIT LIMITED

P.O. Box 795 Iringa, Tanzania

CREDIT POLICY

Table of content	Pg
Section one	
1.0 Introduction	4
1.1 Purposes of credit policy	5
1.2 Beneficiaries of this policy	5
Section two	
2.0 Lending loans and notice of debt discharge	6
2.1 Lending to the beneficiaries	6
2.2 Qualification of person (Target) who is eligible for loan	7
• Character	
• Condition	
• Financial flow capacity	
• Loan guarantee (collateral)	
2.3 Loan applications	9
2.4 Reinforcement of reasons of rejection of the loan	9
Section three	
3.0 Loan cost	10
3.1 Interest, fees and penalties	10
Section four	
4.0 prevention against loan disasters	10
4.1 Loan Disaster Protection cost	10
4.2 Procedures for servicing insurance fund	11
Section five	
5.0 Limited lender loan duration	11
5.1 Limitation of loan repayment	11
Section six	
6.0 sources of loaning and limitation of lending	12
6.1 Loan funds May come from the following areas	12
6.2 Limitation of lending for each type of loan	12
Section seven	
7.0 Approval, interest computation and loan repayment	13
7.1 Approval of loan applications	13

7.2 Credit and approval rates	14
7.3 Approval of amounts	14
7.4 Loans to officials	15
7.5 Loans to party executives	15
7.6 Loan participation loans	15
7.7 Repayment of loans and classification criteria	15
7.8 Credit repayment	15
Section eight	17
8.0 Delivery and distribution of delayed credits	17
8.1 Important information to be specified for rate loans	18
Section nine	18
9.0 Discussion of income expected and credit adjustment	18
9.1 Termination of expected income due to late loans	18
9.2 Review of credit restructuring	18
Section ten	19
10.0 Debt, distribution and payment loan condition	19
10.1 Bad debts	19
10.2 Prices for bad debts	19
10.3 Temporary suspension of loans	20
Section eleven	20
11.0 Debt collection	20
11.1 Factors to consider before starting debt collection	20
11.2 Debt collection agreement	21
Section twelve	22
12.0 Debt collection and securities sale	22
12.1 Debt cancellation measures	22
12.2 Procedures for a company to sell a borrower's bond	22
13.0 Conclusion	23

SECTION ONE

INTRODUCTION

The IDYDC Microcredit LTD Lending, Collection and Cancellation Policy is a guide for regulating the disbursement of loans and a map showing how to provide loans to its beneficiaries. These credit procedures have been developed based on the principles of IDYDC's best practice principles and must be followed and applied to all lending activities to the beneficiaries of IDYDC Micro credit limited

This policy will take into account the requirements of the Microfinance Act No. 10 of 2018 and the Minor Financial Services Regulations 2019

This policy includes all the key areas to be considered in credit management including loan disbursement, Credit Collection, Debt Cancellation, Loan Guarantee, Sales Procedures, as set out in Regulations 28 - 43 of the Minor Service Regulations of 2019 funds.

This policy includes Section Thirteen. The first part is an introduction, the second part is the issuance of loans and the statement of rejection of the loan, the third part is the cost of the loan, the fourth part is the loan insurance, the fifth part is the time limit for loan repayment, part six are the sources of lending and the limitation of lending, part seven is the approval of loan applications and loan repayment, part eight is the calculation and classification of late loans, part nine is the suspension of the expected loan repayment income, part ten is debt, dividends and temporary credit suspension, part eleven is debt collection, part twelve is loan repayment and collateral sale and part thirteen is mercy period in repaying the loan.

This policy has been prepared in accordance with the requirements of the Minor Financial Services Act No.10 of 2018 and the minor Financial Services Act of 2019, among other things this policy will be reviewed regularly to see if there is a need to make improvements. The Board of Directors will be responsible for submitting comments and suggestions in areas they deem appropriate for the purpose of approval by the IDYDC Board before making improvements.

The IDYDC Microcredit LTD Lending, Collection and Cancellation Policy is a guide for regulating the disbursement of loans and is a map showing how to provide loans to its beneficiaries. These credit procedures have been developed based on the principles of IDYDC's best practice principles and must be followed and applied to all lending activities to the beneficiaries of IDYDC Micro credit limited

This policy will take into account the requirements of the Microfinance Act No. 10 of 2018 and the Minor Financial Services Regulations 2019

This policy includes all the key areas to be considered in credit management including loan disbursement, Credit Collection, Debt Cancellation, Loan Guarantee, Sales Procedures, as set out in Regulations 28 - 43 of the Minimum Service Regulations of 2019 funds.

1.1 Purposes of Credit Policy

- a. Laying the foundations and best principles of lending.
- b. Avoid unnecessary conflicts in lending.
- c. Reduce the risk of bad credit.
- d. Build trust in local and foreign institutions, borrowers, the Government and the general public.
- e. Facilitate the Board of Directors in credit management.
- f. Practical implementation of the Minimum Financial Services Act No.10 of 2018 and the Minimum Financial Services Regulations 2019.

1.2 Beneficiaries of this policy

Local stakeholders

- i. Borrowers especially Women, Youth, people with disabilities and low-income people (who intend to boost their economic activities will be the main targets of this Policy as they are the borrowers
- ii. Executives - These are experts in analyzing and evaluating the loans requested and disbursed.
- iii. IDYDC Board of Directors, Board and Members for the management and monitoring of the implementation of Credit operations.

External stakeholders

- i. External Auditors - They will apply this Policy during the audit.
- ii. Government (Community Development / Treasury Officers) - Consultants in the implementation of this policy as representatives of the Government.
- iii. Financial Institutions and Other Lenders - They will apply this policy when providing credit services.
- iv. Companies processing information on borrowers
- v. Employers
- vi. Central Bank of Tanzania
- vii. Other stakeholders

This policy has been prepared in accordance with the requirements of the Minor Financial Services Act No.10 of 2018 and the Minor Financial Services Act of 2019, among other things this policy will be reviewed regularly to see if there is a need to make improvements. The Board of Directors will be responsible for submitting comments and suggestions in areas they deem appropriate for the purpose of approval by the IDYDC Board before making improvements.

SECTION TWO

2.0 LENDING LOANS AND NOTICE OF DEBT DISCHARGE

2.1 Lending to the beneficiaries.

IDYDC Microcredit provides to all qualified to obtain loans based on the availability of funds for lending and in compliance with the credit policy without prejudice to the Sub-Services Act and the Minimum Financial Services Regulations governing the Financial Institutions 2019.

2.2 Qualifications of a person (Target) who is eligible for a loan

In order to create a favorable environment for the issuance of loans some of the following factors will be considered before the loan is disbursed to the beneficiaries and the beneficiaries must have the following qualifications;

- a. Have a project, business or service that he wants to borrow that is acceptable in accordance with the law of our country aged 18 to 70 and be sane.
- b. The project service or business for which the loan is requested should be located within the area covered by IDYDC Micro credit Limited.
- c. Be known and recognized by the street, village or local government for its residence and economic activities.
- d. He should not have a loan that he failed to repay when applying for another loan.
- e. He should not have a loan he failed to repay from another institution.
- f. He should have a good track record in repaying his loans
- g. Be a good participant in the entrepreneurship and credit training offered by IDYDC Micro credit Limited before the loan.
- h. Have a project, business or service that creates or relies on profit making.
- i. Have sufficient securities to guarantee the Loan as well as guarantors who are guaranteed to guarantee the Borrower.
- j. Be obedient to and comply with all procedures and laws set by the Government in the running of a project, business or service.
- k. Be respectful and respectful of human rights and especially children and have a good track record of caring for children by giving them the Basics.

In addition to the qualifications set out in this section, the following factors will also be considered as a potential beneficiary of a loan.

CHARACTER

The borrower's behavior will be fully assessed based on his / her borrowing records and repayment of his / her loans. Citizens, Sub-district, Village or Local Government Officials, Credit Executives or any leader of IDYDC Micro credit Limited may be part of the borrower's behavior and may comment on the borrower concerned.

A large guarantee past the loan rate will not be a criterion for lending to a beneficiary who has a bad character or history in borrowing and repaying loans within and outside IDYDC Microcredit Limited.

Borrower's ability to do business, projects or services and loan repayments after receiving entrepreneurship and credit training.

CONDITION

The issuance of a loan to a member will take into account the external factors affecting the applicant's loan including: -

- i. The state of the country's economy
- ii. Value for money
- iii. Land laws
- iv. The market conditions of the business being applied for a loan
- v. Labor / employment market conditions
- vi. And other factors that affect the condition of loan repayment.

FINANCIAL FLOW CAPACITY

The ability to repay the loan is the first and most important factor to consider in assessing the applicant's ability to repay the loan he is applying based on the economic activities he undertakes.

LOAN GUARANTEE (COLLATERAL)

The collateral that will be / will be placed by the borrower at the time of applying for the loan will have to be worth more than the amount of the loan that will be applied for.

In addition, the actual assessment of the value of the collateral to be secured by the borrower will need to be properly assessed before being placed on the loan collateral. (Government-recognized valuer)

2.3 Loan applications

Before receiving a loan the applicant will have to consider the following factors;

- a. He will take the application form to the office and fill it out and return it in the order specified in the form.
- b. The applicant will pay the cost of the loan application form amounting to Tshs. 5,000 / = at the time of taking the non-refundable form after purchase.
- c. The Applicant will apply for the loan amount according to his / her need.
- d. The applicant will be required to share his / her spouse if he / she is with his / her family members on the loan he / she is applying for and the bond he / she has.
- e. The applicant will fill out a loan pledge form and it will be approved by the Chairman of the Sub-district, Village or Street
- f. The applicant will be required to attach all the necessary details as the application form directs.

2.4 Reinforcement of reasons for rejection of the loan

Pursuant to regulation No.32 of the financial services regulations - IDYDC Microcredit Limited will notify the applicant in writing if it finds that the applicant has not met the criteria for obtaining a loan within seven days after making the decision.

SECTION THREE

LOAN COSTS

3.1 Interest, Fees and Credit Penalties

Interest rates, fees, and penalties for loans will be recommended by the Board of Directors and approved by the IDYDC Board. In addition, the interest rate will be set after a special analysis will show the interest rate set will benefit the Borrower and be able to afford the operating costs of IDYDC Micro credit Limited and other requirements based on existing requirements.

interest rates, fees and penalties will be reviewed regularly to see if they are up-to-date and can be adjusted upon approval by the IDYDC Board.

All loans will be paid interest on a monthly basis as defined in this Policy in accordance with **Table No.1**

Rates of Fees, Interest and Penalties

TYPE OF LOAN	LOAN FEE	INTEREST (%) For a year	PENALTY (50%) × Delayed refund
Development	2%	15%	14000-20000 Depending on the amount of the loan
Emergency	2%		

SECTION FOUR

4.0 PREVENTION AGAINST LOAN DISASTERS

4.1 Loan Disaster Protection Costs

IDYDC Micro credit Limited will charge 0.5% on each loan taken and the amount will be kept in a special account for the purpose of protecting loans that will not be repaid for the following reasons;

- i. If the Borrower dies without completing the loan and the company has confirmed that in any case the outstanding loan cannot be repaid.
- ii. If the Borrower has a permanent disability and has failed to fulfill his or her income-generating obligations and ultimately fails to repay the loan he or she is owed
- iii. If the Borrower is insane and unable to co-operate in making the repayment in accordance with his / her contract with the state physician he / she has confirmed the mental illness of the Borrower concerned.

4.2 Procedures for servicing an insurance fund

- a. The loan insurance fund funds will be presented to the bank in a special account as soon as the member is granted the loan
- b. Fund funds will be used for the intended purposes based on the needs that will arise.
- c. If the fund is not strong enough to meet the emerging needs the amount claimed can wait for the fund to strengthen and then be paid.

SECTION FIVE

5.0 LIMITED LENDER LOAN Duration

5.1 Limitation of loan repayment

The borrower will repay the loan in the prescribed manner and in any case the maximum repayment period will not exceed two years.

Table No. 2

Type of credit and repayment period

Loan Type	Restoration/Repayment time
Development (Business, Education Construction, Plot Purchasing, Furniture, Fishing, Mining, Agriculture and Livestock)	6 months to 1 year
Emergency	Months 1-4

SECTION SIX

6. 0 SOURCES OF LOANING AND LIMITATION OF LENDING

6.1 Loan funds may come from the following areas;

- a. Contribution Fees and Grants from IDYDC Mother Organization.
- b. Profit arrears from IDYDC Micro credit Loans
- c. Loans from various financial and non-financial institutions.
- d. Aid from local and foreign donors. (subject to conditions)

6.2 Limitation of lending for each type of loan

At IDYDC Micro credit Limited the maximum amount on each loan without circumventing the requirements of regulation no. 33 (1) of the Minimum Financial Services Regulations - IDYDC Micro credit Limited shall be as follows:

- a. Development (Trade, Education, Construction, Plot Purchasing, Furniture, Fishing, Mining, Agriculture and Livestock) up to ten million shillings (shs.10,000,000 / =)
- b. Emergency is up to only three million shillings (shs. 3,000,000 / =)

SECTION SEVEN

7.0 APPROVAL, INTEREST COMPUTATION AND LOAN REPAYMENT

7.1 Approval of loan applications

- a. IDYDC Micro credit Limited will not issue a loan without the approval of the Board of Directors of IDYDC Micro credit Limited.
- b. The Board of Directors will not approve a loan if part of the loan is not credited or the loan is not fully credited
- c. The Board of Directors will approve the borrower's application for a loan after being satisfied with the applicant's ability to make repayments
- d. The Board of Directors reserves the right to reject / approve or return a loan application to the applicant if the applicant does not meet the loan criteria as set out in section 2.1 of this policy.
- e. Interest rate will be computed using the 365/365 method (or Stated Rate Method/ Straight line method) which utilizes a 365-day year**
- f. On the completion of loan application the loan will be processed and a loanee to get his money within five working days
- g. If the loan application is not approved IDYDC Micro credit Limited will inform the Applicant of the reasons for the rejection of the application within seven days
- h. Loan funds will be disbursed depending on the liquidity situation within IDYDC Micro credit Limited but in any case, small loans will be given priority and if the company's liquidity level is low.
- i. The Board of Directors will not approve a loan amount exceeding ten million shillings (10,000,000 / =).
- j. The loan amount in excess of ten million shillings (10,000,000 / =) will be determined by the board of IDYDC Mother institution.

- i. The Executive Director (Manager) will be allowed to approve all emergency loans to qualified borrowers once they have satisfied the borrower's ability to repay the loan requested.
- j. The Board of Directors shall use the following records to achieve its decision;
 - i. Assets used by the consumer to guarantee the loan
 - ii. A register showing his business records
 - iii. Experience in the business he is applying for a loan
 - iv. The type of project being applied for as a loan if it is a front-end.
 - v. Where the project is located if it is acceptable to exist
 - vi. Along with other criteria to be set by the company.
 - vii. Rule 30 of the Minimum Financial Services Regulations 2019

7.2 Credit and approval rates

Approval of Board of Directors.

Credit approvals will grow under the Board of Directors in collaboration with Credit Officers and will not approve a loan in excess of ten million shillings (10,000,000/=) amounting to more than ten million will be decided by the Board of the organization Mama IDYDC.

Authorization of CEO

At IDYDC Microcredit Limited, the Executive Director (Manager) will have the authority to approve all emergency loans not exceeding only three million shillings (3,000,000 / =) after determining whether the borrower can repay the loan, other loans will follow the procedures outlined in the policy. this.

7.3 Approval of amounts in excess of shs. 10,000,000 /=

An emergency meeting of the IDYDC board will be responsible for approving all loans exceeding ten million shillings (10,000,000) or with the approval of the Board

of IDYDC parent organization, which the Board of Directors may not approve as directed in this policy.

7.4 Loans to officials

i. IDYDC Micro credit Limited will not issue a Loan to any member of the Board of Directors and the Board of IDYDC before obtaining approval from IDYDC Board members.

ii. A board member applying for a loan will not be allowed to be among the members of the session when approving his or her loan.

7.5 Loans to party executives

i. IDYDC Micro credit Limited will provide loans to executives who will have all the qualifications mentioned in this policy if the IDYDC Board recognizes that applicants are executives of IDYDC Micro credit Limited and will be given priority to be able to borrow and possibly use part of their Salaries as Loans.

ii. IDYDC Micro credit Limited will not provide a loan to an executive or person with close ties in any way before obtaining approval from the IDYDC Board.

iii. IDYDC Micro credit Limited's chief executive loans must be negotiated with the Board of Directors of Credit before obtaining the approval of the IDYDC board

7.6 Loan Participation Loans

IDYDC Micro credit Limited will not have participatory credit until it meets the criteria in accordance with the Minimum Financial Services Regulations 2019 (38) (1) Either way IDYDC Micro credit Limited will not lend on a preferential basis, at different interest rates different from that charged to another Borrower.

7.7 Repayment of loans and classification criteria

a. The borrower will repay the loan with interest through the IDYDC Micro credit Limited account and in the event of a bank failure in the area the borrower can submit cash to the office during office hours.

b. The borrower can repay his loan before the deadline arrives at the working hours without penalty

c. If the borrower will repay the loan amount or repay the loan in full, he or she will not have to pay interest for the duration of the loan.

We shall classify loans based on days past due as follows-

Number of days past due Classification

0 to 5 days - Current

6 to 30 days - Especially Mentioned

31 to 60 days - Substandard

61 to 90 days - Doubtful

More than 90 days - Loss

The minimum provision rates for loans shall be based on the following schedule-

Classification Provision

Current - One percent

Especially Mentioned - Five percent

Substandard - Twenty five percent

Doubtful - Fifty percent

Loss - One hundred percent

(3) We shall classify housing microfinance loans based on days past due as follows-

Number of days past due Classification

91 to 180 days- Substandard

180 to 360 days - Doubtful

361 and more - Loss

7.8 Credit repayment

- a. Every borrower has a responsibility to make sure he makes his repayment for the loans he took out.
- b. The CEO (manager) and credit officers will be required from time to time to compile a report on the actual status of the borrowers' loans on a monthly basis in order to provide the exact credit status that needs to be monitored closely.
- c. The reports will reflect the realities of credit development and will be presented to the Board of Directors on a quarterly basis.
- d. Loan trustees will be required to ensure the borrower repays his repayment in accordance with his repayment schedule.

SECTION EIGHT

8.0 DELIVERY AND DISTRIBUTION OF DELAYED CREDITS

IDYDC Micro credit Limited will prepare a statement of the calculation of late loans from the deadline for which the loan repayment was made until all payments have been completed. Delayed loans will be calculated monthly and reported on the last day of the month where the loans will be classified into the following categories: -

Table No.3 Categories and Status of Delays.

NO	Delay Groups	Delay Status
1	Loans available on the watch	Days 31-90
2	Sub-Credit Loans	91-180 days
3	Doubtful loans	Day 181-365
4	Bad Credit / Loss	More than 365 days

8.1 Important information to be specified for late loans

The credit delay report will include the following;

- i. Borrower's name, address and personal contact
- ii. Date the loan was issued
- iii. The actual loan provided by the amount of the outstanding debt that has not been repaid.
- iv. Names of guarantors and guaranteed loan guarantee

SECTION NINE

9.0 DISCUSSION OF INCOME EXPECTED AND CREDIT ADJUSTMENT

9.1 Termination of expected income due to late loans

IDYDC Micro credit Limited will suspend all expected interest rates that will be estimated to be available in a given year due to late loans if the loan is not repaid for ninety days. In addition, the association will deduct the expected income derived from the loan from the expected income account.

9.2 Review of credit restructuring

IDYDC Micro credit Limited will not make the loan repayment more than once for the borrower who will be given a loan and fail to repay on time.

- i. Any loan that has been amended or changed in its original terms, will not be classified as "in good condition" unless the loan repayment has been made in full at least four times in a row since the loan was restructured.
- ii. If the loan is repaid in full four times in a row, the loan will be classified as a non-delayed loan.
- iii. IDYDC Micro credit Limited will issue a statement of all revised loans as a stand-alone statement on the balance sheet of party 42 (2).

SECTION TEN

10.0 DEBT, DISTRIBUTION AND PERMANENT LOAN CONDITION

10.1 Bad Debts

- a. Bad debts are those that will not be repaid within 30 days as defined in regulation 40 (1) (2) of the financial services regulations of 2019
- b. Bad debts will be deducted from the company's accounts when they have reached more than twelve (12) months in accordance with the 2019 Financial Institutions Service Regulations.
- c. The Company will continue to monitor these liabilities and when paid will be credited as other revenue in accordance with accounting procedures.

10.2 Prices for bad debts

The Company will conduct bad credit units in accordance with regulation no. 40 (3) of the sub-finance regulations of 2019.

IDYDC Micro credit will set aside a sufficient amount of money from its annual profits to cover bad loans delayed by borrowers in accordance with regulation no. 40 (3) of the Minimum Financial Services Regulations 2019 to cover the amount of such bad loans as set out in Table No.2

Table No.2 Bad Credit Rates.

NO	Delay Groups	Delay Status	Number of units (% of balance on late loan)
1	Loans available on the watch	Days 31-90	10
2	Sub-Credit Loans	91-180 days	30
3	Doubtful loans	Siku 181-365	50
4	Bad Credit / Loss	More than 365	100

		days	
--	--	------	--

The amount of the amount that will be allocated for repaying bad loans that are delayed will be deposited in a special bad credit account.

10.3 Temporary suspension of loans

- a. IDYDC Micro credit Limited may suspend lending in accordance with the repayment trends of such loans.
- b. With too many Loans in the hands of borrowers and not collected thus jeopardizing the liquidity situation in the party "liquidity crisis".
- c. If the auditors conduct an audit and determine whether the financial situation is serious.

SECTION ELEVEN

11. 0 DEBT COLLECTION

All loans issued to borrowers will have to be repaid to IDYDC Micro credit Limited in the prescribed manner and if the prescribed procedure is not followed by the borrowers IDYDC Micro credit Limited will be responsible for monitoring and ensuring all debts are collected.

11.1 Factors to consider before starting debt collection

IDYDC Micro credit Limited will continue to ensure that all debts are collected in accordance with the procedure set out between the borrower and the lender and the following factors if close monitoring will be required, either among them;

- i. The repayment of the borrower will be less than the amount required to be repaid in accordance with the terms of the contract signed by the borrower at the time he takes the loan.
- ii. If the borrower's repayment is not made within thirty (30) days from the repayment required

regardless of whether the delayed loan is interest or interest and the base loan.

iii. If the Loan repayment table contained in the loan form is not considered in the borrower's loan repayment.

11.2 Debt collection agreement

IDYDC Micro credit Limited can enter into a contract with the debt collector if it appears that the borrower has delayed repayment and the Company's efforts to monitor have failed to produce results and ultimately see the need to keep the debt collector.

In addition the company should consider the following factors before entering into a contract with the debt collector;

- i. Ensure the debt collector has a special permit to carry out such work from the legitimate government authorities
- ii. Satisfying the location and location of the service provider
- iii. Check the provider's history
- iv. Ensure the service provider protects the borrower's rights when collecting debts
- v. Ensuring the debt collector collects the debt in accordance with the agreement and the agreement contained in the loan form and the loan agreement
- vi. Make sure the debt collector is well aware of the borrower's assets used to secure the loan
- vii. Evaluate and justify such as Ensuring that the debt collector has the capabilities and equipment that will enable him to do the job without incurring company costs
- viii. The Convention sets out the rights and responsibilities of all parties and passes them on to a lawyer for the protection of mutual rights.

SECTION TWELVE

12.0 Debt cancellation and securities sale

12.1 Debt cancellation measures

IDYDC Micro credit Limited will cancel its loans from its balance sheet if:

- a. The loan will be delayed for repayment by more than 365 days;
- b. IDYDC Micro credit Limited will lose its contractual rights related to the relevant loan;
- c. IDYDC Micro credit has lost legal rights in the relevant loan claim
- d. When a loan appears it cannot be collected;
- e. It is not possible for the Company to collect the loan due to a court judgment.
- f. All securities that have secured the loan, have been evaluated and sold, and the proceeds from the sale have failed to cancel the loan.
- g. The company is not able to collect the loan or no guarantee or efforts to collect the debt have failed.
- h. If the company has a bad credit rating enough to cancel the loan.

If the borrower's loan is canceled from the company's books and if the borrower has not been declared bankrupt, the loan will have to be tracked and collected like other loans.

12.2 Procedures for a company to sell a borrower's bond

To cover bad loans the company may sell the borrower's securities; In addition, before a company can sell a borrower's collateral, it should consider the following:

- i. All legal proceedings and procedures for requiring a borrower to repay his loan have failed in any way.
- ii. Trustees have been informed and failed to provide adequate co-operation to ensure the borrower's debt is repaid.

iii. If the borrower has more than one collateral the only bond that will be sold is the one that can cover the debt and the remaining securities can be repaid after the debt is fully paid.

iv. The Company will be obliged to repay the remaining amount immediately after the bond is sold and the loan is canceled

v. The company may sell collateral to a guarantor after the borrower's own collateral fails to repay the loan.

14.0 CONCLUSION

This policy has been amended by the Board of Directors of IDYDC Micro credit and approved by the Board at a meeting held on Month and will come into effect after obtaining registration from the central bank of Tanzania.