## SME Loan Application Guideline

<table>
<thead>
<tr>
<th><strong>Product Name</strong></th>
<th>CBN N50 Billion Targeted Cash-Flow Lending</th>
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</thead>
<tbody>
<tr>
<td><strong>Product Description</strong></td>
<td>Targeted Cash Flow-based Lending: This offers an avenue for loans to be processed for customers based on established sufficient cash flow capacity of each customer, as the major consideration for lending.</td>
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<tr>
<td><strong>Target Market</strong></td>
<td>The fund is targeted at credit worthy businesses with good track record in their line of business, and who meet the acceptable cash-flow requirements and whose businesses are demonstrably adversely affected by the COVID-19 pandemic.</td>
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| **Eligibility** | - The Bank will assess the capacity of the customer through the customer’s business history; via total account statement turnover (with NMFB and other banks), however this would not be the only tool used to determine customer’s eligibility. (Note: Where a review of the customer’s account statement raises fundamental issues, the bank reserves the right to make decisions as considered appropriate).  
  - Customers who have agreed to allow the NMFB Credit unit assess their financial records.  
  - Customer must show that the request is justified by the level of sales proceeds evident in the account statement turnover. Also, the customer’s books (ledger) should also justify the numbers.  
  - Evidence of opportunity cost or adverse impact as a result of COVID-19 pandemic. |
| **Documentation Required** | - Loan application letter  
  - Duly completed application form  
  - Guarantor form  
  - A valid means of ID (national ID, driver’s license, voter’s card or international passport)  
  - Current utility bill (Applicant & Guarantor)  
  - 2 recent passport-size photographs  
  - BVN |
| **Terms & Conditions** | - Flexible and moveable collateral options shall be admitted and registered under the Collateral Registry Bureau.  
  - Forfeiture Undertaking and Power of Attorney agreement to be signed by customer, giving NMFB rights to take over pledged assets in instance of loan default.  
  - Insurance cover on the asset financed or asset availed as flexible collateral, with the NMFB noted as the first loss payee.  
  - Customer must have a verifiable supplier/s who he/she must have had a business relationship with for a minimum of 6 months. |
- Loan amount must match loan repayment and 5% p.a till February 28, 2021 and 9% subsequently
- Domiciliation of proceed with NIRSAL MFB

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<thead>
<tr>
<th>FACILITY TYPE</th>
<th>Term Loan</th>
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<tbody>
<tr>
<td>SINGLE OBLIGOR LIMIT</td>
<td>N25m</td>
</tr>
<tr>
<td>LOAN TENOR</td>
<td>Maximum of 36 months</td>
</tr>
<tr>
<td>MORATORIUM</td>
<td>At least 12 months</td>
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<tr>
<td>PRICING</td>
<td></td>
</tr>
<tr>
<td>REPAYMENT STRUCTURE</td>
<td>Installment basis, according to the nature of enterprise</td>
</tr>
</tbody>
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### COLLATERAL REQUIREMENT

<table>
<thead>
<tr>
<th>SME</th>
<th>Possible Collateral</th>
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| **Mini SME:** 3 - 10m | - Any describable movable asset with a serial number that can be used for registration on the collateral registry worth 70% of the loan amount.  
- Comprehensive insurance over the asset with NMFB as first loss Payee.  
- Personal Guarantee of Business Promoter  
- Irrevocable domiciliation of proceeds  
- Acceptable Guarantor (1) |

| SME: 10 - 15m | - Any describable movable asset with a serial number that can be used for registration on the collateral registry worth 70% of the loan amount.  
(Comprehensive insurance over the asset with NMFB as first loss) **Or:**  
- Simple Deposit of title documents in perfectible state  
- Search will be conducted at customers cost  
- (Ground rent will be up to date and all perfection letters to be executed)  
- Irrevocable domiciliation of proceeds.  
- Personal Guarantee of Business Promoter  
- Acceptable Guarantor (2) |

| SME Plus: 15 - 25m | - Simple Deposit of title documents worth 70% of the loan amount in perfectible state  
- Search will be conducted at customers cost  
- (Ground rent must be up to date and all perfection letters to be executed)  
- Personal Guarantee of Business Promoter  
- Irrevocable domiciliation of proceeds  
- Acceptable Guarantor (2) |