

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3460
ANSWERED ON:16.04.2010
REGULATION OF LENDING PROCEDURE TO MICRO FINANCE SECTOR
Gandhi Shri Feroze Varun

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to regulate the lending procedure of micro finance sector since Micro Finance Institution(MFI) loans are often priced at more than 20 percent; and

(b) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) & (b): A draft Micro Finance (Development and Regulation) Bill has been placed on website of National Bank for Agriculture and Rural Development (NABARD) and the Ministry of Finance, Government of India for seeking comments of the stake holders.