

PRIME MINISTER'S YOUTH BUSINESS LOAN

(PMYBL)





Salient Features

Brief Description	Small Business Loans will focus on but will not be restricted to unemployed youth, especially educated youth looking for establishing or extending business enterprises.
Eligibility criteria	<ul style="list-style-type: none"> All Men/Women (resident Pakistani) aged between 21 and 45 years. Clean Credit History. However it will be the Bank's Credit Committee discretion to consider any loan application with default credit history subject to satisfactory justification. "Not" availed a loan under the PMYBL scheme from any Bank. Not a "Guarantor" to secure the loan under the PMYBL scheme at any Bank.
Quota	<p>50% of loans are for women</p> <p>5% of loans are for families of Shaheeds, Widows and Disabled persons</p>
Facility	Term Loan maximum up to Rs. 2M
Pricing	<p>6% p.a. fixed for the borrower.</p> <p>Applicable rate: 1 year KIBOR+500 bps, to be reset annually; difference to be paid by GoP.</p>
Tenor	8 years including 01 year grace period (maximum)
Repayment	In monthly installments with one year grace period in principal only.
Collateral / Security	<p>Personal Guarantee</p> <ol style="list-style-type: none"> Must be a resident Pakistani, holding a valid CNIC. Have net worth of 1.5 times of requested loan amount. Applicant can also provide max 3 guarantors with aggregate net worth of 1.5 times. <p style="text-align: center;">OR</p> <p>be Government Employee of BPS-15 or above with minimum 8 years of</p>



remaining service at the time of providing the guarantee. No net worth required if guarantor is government employee of BPS-15 or above.

3. Clean Credit history
4. Not an employee of Bank working as Executing Agency for PMYBL Scheme
5. Cannot be the applicant
6. Blood relative can be a guarantor
7. Not mandatory for the guarantor to reside in the same city of the applicant
8. No age limit for guarantors who are not government employees
9. Borrowers having immovable property in their own name valued at least 1.5 times of the requested loan amount, can offer this property as security for the loan in lieu of guarantee.
10. Guarantor will have to submit copy of their latest wealth statement.

Debt-Equity ratio	90:10 The borrowers' contribution of equity would be in the form of cash or immovable property and will be required after approval of the loan.
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Application Form	The Form would be both in English and Urdu
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Processing Fee	Rs. 100/= (Non – refundable) to be submitted along with the Loan Application Form.
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Geographical Distribution	Whole of Pakistan.
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Requirements

1. Loan Application Form
2. Business Feasibility Report
3. Projected Financials (Cash flows, Balance Sheet, Income Statement) for 8 years
4. Existing Financials (Cash flows, Balance Sheet, Income Statement) (in case of existing business)
5. Details of the Guarantor(s)
6. Guarantor Form
7. CNIC of the Applicant
8. CNIC of the Guarantor(s)
9. One passport size photograph of the applicant
10. One passport size photograph of the guarantor
11. Basic Borrower Fact Sheet for Small Enterprises (SE)

Note: For Business Feasibility Report you may refer to www.smeda.org