

Majlis Ansarullah Self-Reliance Micro Loan Scheme (SMILE)

Majlis Ansarullah USA is launching Self-Reliance Micro Loan Scheme (SMILE) to help out those Ansar who want to start a small business or trade to be able to make a living. This loan scheme is in the spirit of Huzur's (May Allah Ta'Allah be his Helper) directions to Majlis Ansarullah USA to help out our members in general and refugees in particular to settle down and to make a living either by upgrading themselves to prepare for a job or start a small business or trade. This scheme is one of the many initiatives of Ithar department.

Who qualifies for the loan?

- 1) Any Ahmadi Nasir with a valid member code in US Jamaat would be eligible for this loan.
- 2) The loan applicant must be directly involved in the business himself. If two Ansar brothers want to apply jointly, both need to be directly involved in the business.
- 3) Loan would be for starting a solely owned business e.g., Uber or leasing a kiosk for retail selling etc.

How to Apply?

Complete application package consisting of application form and feasibility report template has been developed requiring the applicant to provide the following:

- 1) Basic information e.g., current immigration status, household income, number of earners, existing loans, etc.
- 2) Feasibility report of the anticipated business including personal investment (funds and time), total investment needed and time to be profitable.
- 3) Reason as to why the applicant wants to start this particular business along with any prior experience or homework about the business.
- 4) Recommendation by the Zaim. Jamaat president's opinion will also be sought before the loan is granted to ensure that the applicant participates in Jamaat activities.

Criteria to evaluate for loan approval

A committee of six members will evaluate the loan application. The committee will evaluate each loan application using a well-defined criterion, giving preference to the following:

- 1) Direct involvement in terms of time and effort of the applicant
- 2) Applicant/Owner's investment
- 3) Loan amount being asked for
- 4) Nature of the business including the time it takes to be profitable
- 5) Existing debt on applicant
- 6) Involvement in Auxiliary and Jamaat activities

Max Loan and Repayment Terms

- 1) Typical loan amount cannot exceed \$ 10,000
- 2) An applicant would not be eligible to apply this loan if he is still responsible for an existing unpaid Jamaat loan.
- 3) Repayment terms and period will be established at the time of the loan approval. Typical repayment will start within 6 months after receiving the loan and will be expected to be fully paid back within 24 months at the most.
- 4) Loan repayment plan can also be adjusted to lower the repayment burden at the beginning of the loan period if nature of business so requires (variable repayment plan). These options (fixed or variable loan repayment) will be established at the time of the loan approval.
- 5) Early loan repayment will be encouraged.
- 6) There will be no interest on the loan but the principal amount must be returned in full. However, if a Nasir wants to return more than the loaned amount from his profit, that would be accepted and be added to the total pool of loans for future applicants.
- 7) Applicant will be interviewed before the final loan approval.
- 8) After the loan has been approved and before the disbursement of the loan, the applicant will have to sign a Promissory note verified by 2 witnesses assuring that he will return the loan (principal) in the stipulated period.
- 9) The committee will monitor the business through a quarterly evaluation of each loan.

Note : Returned loan amounts will be used for more applicants and this scheme will inshaAllah go a long way to benefit many more Ansar members to stand on their feet.

Feasibility Report (To be completed by the Applicant)

Section A

Business Type

1. Entity Type : Individual LLC Corporation
2. Cost of Establishing Business
 - A. Cost of Furniture, Fixtures and/or Equipment
(Detail the break-up)
 - B. Rent & Utilities for 6 months
 - C. Payroll for 6 months
 - D. Supplies required for the business for 4 months
 - E. Any Franchise or advisory fee
 - F. Advertising if required
 - G. Miscellaneous
3. Total Cost of the Business or Total Funds Required (Total of A to G)
4. Own Available Funds
5. Loan Required (Subtract line 4 from line 3)
6. Projected Sales for First Year (Estimate should be conservative)
7. Projected Annual Expenses
 - A. Rents
 - B. Utilities
 - C. Payroll (include your own salary)
 - D. Supplies required for the business
 - E. Any Franchise or Advisory fee
 - F. Advertising
 - G. Miscellaneous
 - H. Instalment of Loan Repayment for 12 months paid monthly
(Divide line 5 by 2)
8. Total Projected Expenses (Add A to H)
9. Projected Profit (Subtract line 8 from line 6)
10. Pay Back Period in Years (Divide line 3 by line 9)

Note: Project Feasibility is as good as low number on line 10 but should not be more than 5

Prepared By (Name)

Signature

Date

Majlis Ansarullah Self-Reliance Micro Loan Scheme Application

Section B (To be completed by the applicant)

Personal Information

Last name First Name Jamaat Code

Home Phone Cell Phone Majlis

Email Address Age

Street Address

City State Zip

Educational Qualification Current Job

Annual Income Total Dependents

Current Source of Income

If unemployed, for how long and provide the details of last job held

Please answer following questions:

What business would you like to establish?

Why have you decided to go into the selected business?
(Should you need more space, attach a separate sheet)

Section D (Office use only)

Application Number

Date application received

Application sent to committee members on

Reviews by committee Members (Attach Reviews)

1.

2.

3.

4.

5.

6.

To be completed by Committee Chairman

Approved

Not Approved

Date

If not approved, Give reasons

If approved, Conditions of repayment of Loan:

Start Date

Maturity Date

Terms

Monthly Payment

**Information sent to Applicant on
Copy to Zaeem Majlis**

via Email

Postal service

Information sent to Qaid Mal on

via Email

Postal service

**Chairman Committee
Name**

Signature

Date