



*Providing  
micro-mortgage  
solutions for the  
informal sector*

## Fact Sheet

### About MHFC

Micro Housing Finance Corporation (MHFC) is a housing finance company headquartered in Mumbai, India, focused on providing micro-mortgages to the urban poor, specifically those employed in the informal sector. Through this initiative, MHFC seeks to efficiently and sustainably enable access to housing finance services to the underserved and un-served segments of the population.

MHFC received its license from its regulator, the National Housing Bank (NHB), in February 2009; and started sanctioning loans from June 2009.

### Our Product

Product	Home loans for the purchase of new homes
Loan Tenor	Up to 15 years
Loan Size	A maximum of 85% of the cost of the house (agreement price)
Documentation	Identity proof, residence proof, bank statements
Collateral	Mortgage of the house being financed
Mode of Repayment	Automatic monthly payments via Electronic Clearing System (ECS)

### TYPICAL CUSTOMER PROFILE

- *Primarily employed in the informal sector*
- *Average household size: 5*
- *Households with multiple earning members*
- *Currently living in rental housing or informal settlements*

### Our Customers

MHFC seeks to provide housing loans to lower-income group individuals living and working in the informal sector in urban India. Our customers are a mix of self employed micro-entrepreneurs (e.g. vegetable vendors, barbers) and un-organized sector salaried workers (e.g. drivers, housemaids).

Despite earning sizable incomes, these individuals are denied access to financial services by mainstream banks due to the lack of documentation supporting their incomes.

By developing a credit model that is capable of assessing their incomes and understanding the risks associated with this lending to this segment, MHFC is able to offer a high quality, competitive mortgage loan product to the unorganized sector.



## Salient Product Features

- Minimum documentation
- No proof of income required
- No prepayment charges
- Faster processing of loan applications
- Loans only to buy flats in approved projects
- Up to 85% of the flat cost sanctioned as loan\*

\*Conditions Apply

## Customer Outreach

MHFC has tied up with both corporate and non-profit organizations in an effort to reach out to its target segment and spread the word about both affordable housing projects, as well as housing finance options among the informal sector.

For example, MHFC has collaborated with companies in the pharmaceutical, hospitality and F&B industries (among others), to offer our services to their employees who fall within our customer segment.

Likewise, MHFC has also partnered with non-profit organizations, like NGOs and self help groups, as well as microfinance institutions (MFIs), whose beneficiaries may be employed in the informal sector, and may be looking to buy a home of their own.

## Builder Focus

- MHFC has adopted a **project-led** approach, i.e. we only service customers that have chosen to buy homes in projects that we have tied up with.
- As a part of our own marketing efforts, MHFC actively engages in **spreading the word** about the various projects that we are associated with.
- Unlike other housing finance companies that operate out of branches, our **loan officers are positioned on-site** at various projects / locations, enabling ready access to MHFC for both the customer and the developer.
- In order to make it as easy as possible to apply for a loan, MHFC provides **door-step service** throughout the loan application process, such that all steps involving the customer during this time are carried out on site, at home or at work, as per the customer's convenience.
- Our focus on product delivery is also reflected in our investment in IT; our web-based systems ensure **quick processing of loans** for our customers, as well as **on-time processing and release of disbursement requests** from developers.
- Given our exclusive focus on the low income housing market, we develop long-term relationships with developers building in this space, and are able to offer both **advice and insights** on where demand and need for low cost housing exists.
- In some cases, MHFC also assists developers in **sourcing customers** for a specified number / type of flats, ensuring end users rather than investors, a further value-add for developers.



## Promoters

### **Madhusudhan Menon**

Madhu is a Chartered Accountant with over 23 years of banking experience, initially with the Reserve Bank of India and then with American Express Bank (“AEB”). Since leaving AEB in 2002 as Senior Director, responsible for Commercial Banking and Capital Market activities in India, he has been an advisor to various business groups in India as a wealth management and capital market specialist. He has a keen interest in using commercially viable business models to stimulate and sustain social change.

### **Rajnish Dhall**

Rajnish completed his P.G.D.M from IIM (Ahmedabad), after which he worked with American Express Bank in a variety of roles and locations (Mumbai, Singapore, London) for 17 years. He left the Bank as a Senior Director in 2006 and returned to Mumbai to work in the social sector and initially joined Aangan, an NGO which works with children in state run children homes. He is also on the Justice Dhanuka court appointed committee to look into the infrastructure of Mumbai municipal schools, and the Boards of Aangan and Ummeed (an NGO which helps children with development disabilities).

### **Nachiket Shelgikar**

After completing his B.S. from the Carnegie Mellon University, Nachiket worked with Deutsche Bank in M&A for a year in London. He left the Bank in August 2008, and returned to Mumbai to work as a social entrepreneur.

## Management Team

**Madhusudhan Menon** (Chairman)

**Rajnish Dhall** (Managing Director / CEO)

**Nachiket Shelgikar** (Director - Sales & Marketing)

**Ramesh Ogale** (Director - Projects)

**Jayesh Shah** (Director - Credit & Operations)

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