

## **DIGNIFIED BORROWING**

### **Harnessing the Power of Trust & Discipline** **A Wonderful Way to Assist Our Neighbors**

*Amended  
Draft*

**Let's make Idle MONEY *Work*** //



**Silent Tears**

**Let us acknowledge “OUR” Social Responsibility**  
**The Basic Needs of the Neighborhood**

***Imagine***

**A Pool of CAPITAL at Zero Cost**

**Continuous Identification of the Needs of Neighbors**

**Quick Disbursement & Appropriate Recovery**

**A Simple System, Low Cost Operation**

**Yes, it is Possible if we set OUR Mind**

**Let US Begin NOW!** //

\*THOSE WHO ACKNOWLEDGE THE NEED IN SOCIETY, UNABLE TO HELP MUCH, BUT STRIVING FOR SOLUTIONS

## A Pool of CAPITAL at Zero Cost

This is possible in a few simple ways:

1. Organizations and Groups of close nit people recognize the need and donate/contribute consistently small values
2. Society in General contribute apart from the above method lend money for social needs for short periods.

*We at Stone-N String contribute Rs100/ every month while company contributes an equivalent amount for a Fund. Disbursements are made for specific purposes only. Once the employee leaves the organization, he gets his contribution. The older the fund and bigger membership, the bigger the pool. Many needs have been met which the organization could never have met on a equitable basis. It is run independent of the Company and disbursement is very fast.*

**Many organizations may be having this system; however, if we all try to unify the procedure and the administration mechanism, it will bring greater benefit.**

*Once this is widely accepted by all **types** of organizations, the members will realize the benefit it. Therefore it could be easily be adopted countrywide, the smallest unit being the neighborhood.*

Having seen the benefit in organizations, next stage is to organize the people into small neighborhoods, for those who wish to benefit from the system. A simplistic method could be easily adopted once the concept is understood.

### **Here are the few ingredients that can make it a Possibility:**

**Eligibility:** In Sri Lanka the best way would be for families to contribute Rs10/ every week as a eligibility fee, so that ***there is always a small Fund that is accumulating*** for meeting the administration costs and a few neighborhood needs.

**Contribution:** This is of two kinds one is a Gift, the other is Returnable Funds for a specific period. We all have some idle funds, or funds being collected for a specific purpose at a latter date. ***These Funds could be harnessed for the need of the local community if there is a 100% Guarantee System that the Money will be Returned in Full without any inconvenience and in a very simple transparent way..***

**Guarantee System:** Any guarantee must be so simple and transparent that it will be like keeping current accounts in reputed Banks. As all the Banks need to be involved, when someone deposits under this scheme the deposit acknowledgement from the Bank and another acknowledgement from a Central Depository will be Required. This document must state if it is an outright Gift or Refundable. It will also state to which neighborhood this Fund relates.

Members in a particular neighborhood should also be able to view how much Funds

are available, for disbursement etc.

*As members may have to be paid back the Refundable Funds, it is imperative that the system is linked to the Stock Exchange for these transactions only. These monies should be Floating Capital, (that is it could be borrowed by other neighborhoods if required with least formality) if it is to be meaningful in discharging Social Responsibility.*

Thus the needs and wants will be first met by the weekly subscription and donation; any shortfall will be met by the Floating Capital. In this way it also facilitates to payback when monies become due for repayment.

**Disbursement Basis:** If someone requires some funds for a eligible purpose, he needs the recommendation of the neighbor in the front house and one beside his house and a neighbors who has made a total capital contribution(may be a minimum of Rs. 100,000/ etc) to recommend his application. Further he and his neighbors should have consistently contributed for the program for 30 weeks.

**Repayment of Refundable Funds:** If the Depository has Funds in any neighborhood which has not been utilized then such funds can be loaned to this neighborhood to repay . If there is no such surplus in the system *then it is ideal that the Central Bank assists in the matter, as the Government needs to take ultimate responsibility of the welfare of its Citizens. If the Stock Exchange can be part of this program, then issue of new Capital for neighborhood needs can be easily facilitated, and even Refundable Funds can be facilitated if there are those willing to take up this type of capital, work through the Exchange.*

### **A Mechanism to Disburse, Collect and Monitor**

The ideal is the banking System, which is acknowledged Globally . The mobile Cash system that is evolving through the Mobile Operators can also be considered, where required, as specially to collect weekly cash from customers.*The management should be simple, it is worth considering if a school or a organization in the neighborhood could handle the management as a CSR,for a nominal cost. However the management should be revolved among others too.*

**Community Needs OUR HELP**  
**Failure is not an option.**

**Let's make MONEY Work**

**ITS NOT A GLOBAL CHALLENGE . IT'S A GLOBAL RESPONSIBILITY**

**"Blessing!**  
**Neither fire, nor moisture,nor wind**  
**can destroy the blessing of a good deed,**  
**and blessings reform the whole world." Buddha**

## **Foot Note:**

### **1.The question arises. Is this poverty alleviation?**

No Sir!

This is beyond that- **It's Dignified Living**

**Imagine** - A child after having a good education and a good job.

Do you think they can marry, move to an apartment  
pay for the furniture and pay the rental deposit?

Can a parent pay - Higher studies in a local Institution?

- Donation for Admission to School

Having secured a loan for any of the above from a Friendly Bank,  
How much interest must we pay? Wont we be burdened with the  
extra payments making it difficult to enjoy just the basics in Life?

How can those in Poverty achieve anything when there is no Clear  
path for those who have strived so Hard.

Time to Re Think for a New Strategy.

**This is a support Path for those who have strived and yet can get into  
Difficulty.**

### **2. Financial Regulatory Bodies**

The Fundamentals need to be studied and appropriate systems need to be in place  
before it can be universally accepted.

As a Mega Project, this will need patronage from the Government, and various  
society based legitimately acceptable organizations, like places of Religious  
Worship and Public Schools. These are places where people congregate often and  
ideal to place the requirements of the Neighbors and Information and Activity of the  
Fund .

### **3. in the Light Of Faith**

#### **Buddhism**

Majjhima Nikaya Sutta 117 "Buddha forbids "rapacity for gain upon gain" ....., and charging interest. **This is wrong livelihood.**"

#### **Christianity:**

you take interest and profit and make gain of your neighbors by extortion; but me you have forgotten, declares the Lord God. ....Ezekiel 22:12

#### **Hinduism**

Vasishtha, The Sacred Laws of the Aryas, Part II, Chptr 2, vs 40-42 ... 'God weighed in the scales the crime of killing a earned Brâhmana against the crime of charging interest; the slayer of the Brâhmana remained at the top, the **charger of interest sank downwards.**'

#### **Islam**

O ye who believe! devour not usury doubled and multiplied; but fear Allah; that ye may prosper. 3:130 .

### **4. The Economic Theories and Theories, Interest and Developing Countries\_**

*Governments in Developing Countries and those with scarce resources are forced to adopt harsh economic policies the worst of which is unbelievable interest rates, which every Religion Prohibits, but adopted Religiously!*

**Imagine paying a charge of about 16-24% in developing countries .**

**Only 3-5% as interest is paid in developed countries for housing !!!!**

**How can people in these Countries ever come out of Poverty,**

**Get Industrialized or become self sufficient in Basic Human Needs!**

*Any cost to acquire a basic need should not exceed 5% cost of personal family income while any cost to business should not exceed 5% of income or 2.5% of turnover. On existing business expansion while new industry should receive cash with a equity of 20-40% with a buyout plan within 5 years at a maximum gain of not more than 5 times the capital lent. And in the case of unsuccessful business the equity to decrease gradually to 10%*

## **5.Possibilities with Organizations:**

**Organizations** are those with many persons connected in some way; as such people in those organizations will find it easier to identify needs and capabilities. It is possible help each other if they all agree to contribute for specific needs. The disbursement is also possible within 24 hours of request if funds are available.

**Business Organizations:** Here the method can be simple. The employer and employee contribute, and at the time of cessation of employment the employee can get a refund of his contribution. The system can start immediately with the Funds being in the custody of the Employer.

**Professional Organizations:Funds:** If each member starts with an initial deposit of 1,000/ and thereafter contribute 100 or multiple, until reaches a maximum say 100,000/ The disbursement criteria could be:

- Should have contributed a minimum of 25% of limit. Or the Organizations puts up the initial capital required for a smooth operation
- Operated for at least 3 months; those who take facility cannot take again for one year and should have reached the 100,000 limit.
- If a facility is granted again, they must contribute a further 10% of the limit every time they take no fresh requirement until 12 months lapses.
- Those who have not taken funds and have reached 100,000 limit and have not taken any facility for 12 months can obtain 100,000 loan without giving reasons to be repaid in 6 months
- If the Organization is one that employs and also contributes, then the organization can take funds without any reason. This will be subject to a limit as a percentage of their contribution, but to the available funds as at date. This to be paid in 90 days and administration cost of fund to be very minimal eg 1%.

In all cases once the member leaves the organization the contribution must be transferred to the next employment, until retirement or leaving for overseas employment which case the total contribution must be returned within 30 days.

### **Educational Organizations:**

This scheme can be modified to incorporate student needs, and independently funded by themselves if they all are willing to contribute Rs10/ a month, and able children give a Refundable Fund of Rs.100/ per month for about a year. Further once students receive employment must agree to pay Res.100 per month for two years if they receive a facility from their Fund. Large student bodies like CA ,can use this scheme to the benefit of themselves.

These suggestions are only for purposes of assisting in the formulation of Schemes that may be required by different Organizations and for different Purposes.

## **6. Lending Criteria**

1. Funding is **only to a person within the society.**
2. A mandatory course on basic discipline and etiquette in financial and social obligation must be followed.
3. A few secessions on interfaith relationship, respecting cultures and values of others must be followed.
4. Members must enroll others in the neighborhood so as to increase the deposit base for future requirements. Thus the various religious Institutions can be encouraged to assist, once they see transparency and the need to help in neighborly NEEDS.

## **7. Purpose of Lending and duration**

Make Families, and Village, Town Societies less dependent on State Assistance.

**Housing, Education, Entrepreneurship, Weddings, Foreign Jobs- payment 3-5years**

The value of the lending should be feasible to work globally. Perhaps between \$3000 \$20,000, for Community Projects while up to \$10,000 for families only.

## **8. Smooth Management:**

This may be possible if we can work paperless, on real time, with maximum exposure to recipients, donors and the administration. If a neighborhood focal point can be identified as a School, or Religious Place of Worship, then a facebook can be created for this purpose to post the requirements. The management must be line with the International Organization like the Lions, Rotary etc but localized with the School Parents Teachers Association etc. so that there is continuity without disruption. A radically new method must be looked into, so that the administration is the same as of a local body that is very transparent with no vested interest. The rules of lending must be such that the administration cannot disapprove any lending unless the immediate neighborhood of the recipient objects etc.

## **9. Trillions**

Recent paper articles highlighted that many temples have Gold and other valuables untouched for centuries, all donations by devotees. These, and other unused Funds in other places of worship if they can be temporarily borrowed to assist their neighborhood, I believe much can be done. Similarly Muslims do pay Zakath at 2.5% of their wealth to assist the poor. If some of it will be given by them to deserving in the neighborhood as identified by the Fund, then this will reduce who may need to payback what is borrowed.

On the other hand they too could implement this program independently, by joining other similar places and helping those in need.

## 10.Loan Document: One Document is all that is required!!

Dignified Living Zero Cost Loan Document

No: Neigh/Member/Type/S no

**A** Name: ID No: Tel no:  
Mem since: W.Cont: Cap. Cont: Ref Cap:  
Loan Req: Monthly Repayment: Method:office/mobile/so  
Address:.....

Sig; .....  
Acknowledgement of requirement & Responsibility to Pay

Loan Recd Rs. Date Sig.....

We further agree that details of our repayment will be informed to the above persons regularly and the receipt of loan and first repayment will be on the Facebook; thereafter if there arises any irregularity in repayment the neighbors will be informed via facebook or similar medium of communication.

Signatures of family .....  
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### **B Neighbors' Acknowledgement of this Requirement:**

Neighbor 1. Name: Mem No ID No: Tel no:  
M since: W.Cont : Cap. Cont: Ref Cap:  
Address:opphouse).....  
Sig:..... date. Witness: 1. address:

Neighbor 2. Name: Mem No ID No: Tel no:  
M since: W.Cont : Cap. Cont: Ref Cap:  
Address: (next door).....  
Sig:..... date. Witness: 1. address:  
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### **C Provider of Zero Cost Funds: Acknowledgment of Neighborly Requirement:**

Member(who has provided capital)  
. Name: Mem No ID No: Tel no:  
M since: W.Cont: **Cap. Cont:** **Ref Cap:**  
Address: (nextdoor).....  
Sig:..... date. Witness: 1. address:  
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**Bankers Use:**

<b>1. Audit Check:</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Remarks:</b>
.....				
.....				
.....				

**2. Total Funds Available:**

**Ref Capital Due within 6 months: Rs.** **Date**

**3. Ex. Audit Check :** .....

.....

.....

**4. Facebook: Loaded on:** **views after one 48hrs:** **Remarks;**

<b>5. Progress Report</b>	<b>1<sup>st</sup> M</b>	<b>6M</b>	<b>9M</b>	<b>12 M</b>	<b>18M</b>	<b>24M</b>	<b>30M</b>	<b>36M</b>	<b>42M</b>	<b>48M</b>
<b>Neighbor 1</b>										
<b>Neighbor2</b>										
<b>Provider</b>										

**5 Review on Repayment:** **After 6months**  
**(on Facebook)** **After 12 months onwards(only if**  
**payments not regular)**

**6 Ref of this loan in monthly Neighbors Doc:****If under process P. Rs /mem/type/**  
**If paid Loan Rs /Inst id/InstTotal/overdue**  
**value Rs/no Inst**

**7 Type of Loans available in the Neighnorhood**

- 1. Young Couple- Settling down(YS), Housing(YH), School Admission to child(YC)
- 2. Parents-Child's Local Higher studies(PC), Employment Overseas(PE), Child's wedding(PW)
- 3. Misc- Home improvement(MH)/repair(MR, Parents /Self education(MI)
- 4. Hobby Income-Home enterprise agriculture, food, home shop front, cottage level manufacture, rental(ME).

**8 Debts, Sickness and Disasters are beyond the scope of this scheme. They need to be addressed on a humanitarian ground and accordingly the Society need to help with an outright payment or assistance.**

**9. Any Facility required to increase commercial production or to meet business expansion etc are beyond this scope.**

10\*\*.**Loan Document: One Document is all that is required!! Suitable for Organizations**

**Dignified Living Zero Cost Loan Document** **Branch(Dept)/Member/Type/S no**

A Name:		ID No:	EPF No:	Tel no:	
Mem since:	Cont:	Prev. Facilities: 1.		2	3
Loan Req:		Monthly Repayment:			
Address:.....					

Sig; .....  
Acknowledgement of requirement & Responsibility to Pay

Loan Recd Rs.                      Date                      Sig.....

We further agree that details of our repayment will be informed to the voting members regularly and the receipt of loan and first repayment will be on the Facebook; thereafter if there arises any irregularity in repayment the members will be informed via Facebook or similar medium of communication.

Signature .....  
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**B Provider of Zero Cost Funds: Acknowledgement of Requirement:**

Members (at least 25% of the Dept, or 5 colleagues and 1 supervisor must vote.  
With no negative vote on facebook

Sig.....	1 Name:	Mem No	ID No:	EPF NO:	Dept	Tel no:
	2 Name:	Mem No	ID No:	EPF NO:	Dept	Tel no:
	3 Name:	Mem No	ID No:	EPF NO:	Dept	Tel no:
	4 Name:	Mem No	ID No:	EPF NO:	Dept	Tel no:
	5 Name:	Mem No	ID No:	EPF NO:	Dept	Tel no:
Supervisor:.....	1 Name:	Mem No	ID No:	EPF NO:	Dept	Tel no:

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**Administration (a simple roster of volunteers will be done for the whole year on a weekly basis for every below functions)**

<b>1. Verification (2 members outside the Dept):</b>	<b>A</b>	<b>B</b>	<b>Remarks:</b>
.....			
.....			

**2. Total Funds Available (Fin Div. 2 members ):**

**3. Audit Check(within 3 months)**

.....

.....

.....

- 4. Facebook: Loaded on:**                      **views after one 48hrs:**                      **Remarks;**
- 5. Progress Report**            **1<sup>st</sup> M 6M 9M 12 M 18M 24M 30M 36M 42M 48M**  
    **Neighbor 1**  
    **Neighbor2**  
    **Provider**
- 6. Review on Repayment:**                      **After 6months**  
    **(on Facebook)**                      **After12 months onwards(only if payments not regular)**
- 7. Ref of this loan in monthly Neighbors Doc:****If under process P. Rs                      /mem/type/**  
    **If paid Loan Rs /Inst id/InstTotal/overdue**  
    **value Rs/no Inst**

**8. Type of Loans available in the Neighborhood**

1. Young Couple - Settling down(YS), Housing(YH), School Admission to child(YC).
2. Parents - Child's Local Higher studies(PC), Employment Overseas(PE), Child's wedding(PW).
3. Misc - Home improvement(MH)/repair(MR, Parents /Selfeducation(MI).
4. Hobby Income - Home enterprise agriculture, food, home shop front, cottage level manufacture, rental(ME).

9. Debts, Sickness and Disasters are beyond the scope of this scheme. They need to be addressed on a humanitarian ground and accordingly the Society need to help with an outright payment or assistance. Members can decide to have supplementary fund each contributing only Rs10/ if you are a unmarried, and Rs25/ if married. This to be used for outright payment due to any unforeseen circumstance.

10. Any Facility required to increase commercial production or to meet business expansion etc are beyond this scope.

11. The members contribution must in 90% of the time be fully utilized. If for some reason it seems not used for the foreseeable future, members must get together and try to make use of the facility as a joint project in their neighborhood to raise the facilities there. The project must ensure that the monies are returned, as otherwise they will have to contribute equally.

**12 Voting Method:**

- \* A Happy Vote- acknowledges that a member is availing the facility
  - + Positive Vote- acknowledges the requirement and knows it must be given
  - ~ Concerned Vote- Be careful, see that they do not fall into further difficulty
- There is no negative vote, as it amounts to say that someone is trying to abuse the system - cannot be tolerated

### 13.Payment:

- 1.File need to be opened for each request member - full details including picture of family house neighborhood required.
- 2.Names of members who have visited the house and last visited.
- 3.Loan record in total including company and outside.
- 4.Names of closest friends and two family members with contact.
- 5.Special Abilities and Disabilities.

This document is available for the members who vote for the facility.