

Avoidance Activities for LOLC's Staff

Staff Must:

Pre-Disbursement

1. Do not advertise in a way that deceives, misleads or compels customers.
2. Do not persuade customers to apply for a loan that exceeds actual requirements.
3. Do not collect client information without the client's consent.
4. Do not lend or promote, if client's business is illegal/ in exclusion list.
5. Do not inflate income or reduce expenses so that customers get a loan beyond their ability to repay.
6. Do not lend based on collateral but must be based on repayment ability.

During Disbursement

1. Do not lend, if you know that the client has no capacity to repay the loan.
2. Do not give new loans or make additional loans when you know that the customer is in bad debt with other institutions or private lenders.
3. Do not rely on private lenders forming the cycle of the loan.
4. Do not lend, if you know that it leads the use of child labour and causes them do not have the opportunity to attend school.
5. Do not lend without informing client on conditions of agreement, fee and pricing, and credit discipline.

Post-Disbursement

1. Do not threaten, point at, intimidated, quarrel, or response violently to the client, guarantor or their relatives.
2. Do not touch the body or pockets of pants / shirts or use obscene or insulting words to customers / guarantors / relatives or use the word that LOLC is not a charity organization or a Red Cross.
3. Do not post "for sale" sign at or lock client's house or land/ guarantor.
4. Do not post/ disclose loan agreement or hypothec or other client's relevant document/ guarantor at client's house or land/ guarantor.
5. Do not seize fix-asset or other movable assets (car, motor, wheel, plate, TV, desk, etc.) of the client/ guarantor directly or indirectly.
6. Do not damage/ broken client's or guarantor's asset.
7. Do not accept/ keep client's asset even there is client permission.

8. Do not accept any repayment which obtains from sale of the client's asset without law procedure or authorized authorities.
9. Staff or relatives do not participate or involve in buy-sale or seize client/ guarantor's asset.
10. Do not intimidate/ order guarantor/ local authorities to take movable asset/ fix-asset of client when they are not at home.
11. Do not enter client's/ guarantor's room or house without permission or client's presence.
12. Do not use LOLC means of transportation or LOLC rental transportation to drive third-parties such as client, guarantor, client's relatives, or villagers.
13. Do not visit client at night without authorities' presence.
14. Do not push client to get the loan from money lenders to repay the loan.
15. Do not push the client to sell land or home to pay off the loan. *“However, the staff can inform the client: “LOLC will follow its rights legally and the collateral contract.”*
16. Do not force customers to sell the only home they are enjoying for a living.
17. Do not have more than 3 staffs to resolve repayment problems with client/ guarantor.

Note: Staff must abide LOLC internal policies, procedure and Cambodia law strictly.