

# Edelweiss Housing, Stan-C enter into co-lending partnership to cater to MSME borrowers

## Synopsis

This business partnership model will combine Standard Chartered Bank's expertise in this segment with Edelweiss' reach and strong origination capabilities, to improve the flow of credit at an attractive cost.



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Customers will not only benefit from blended and cost-effective interest rates but will also find it operationally simple, dealing with a single entity end-to-end, the company said.

NEW DELHI: [Edelweiss Housing Finance \(EHFL\)](#) has entered into a co-lending partnership with [Standard Chartered Bank](#), under which they will jointly service loans against property to customers in 20:80 ratio. Announcing the tie-up, the Edelweiss group's housing finance arm said the co-lending arrangement is specially targeted towards micro, small and medium enterprises ([MSMEs](#)).

Definitive agreements as per [RBI](#)'s Co-Lending Model (CLM) have been executed between EHFL and Standard Chartered Bank.

This business partnership model will combine Standard Chartered Bank's expertise in this segment with Edelweiss' reach and strong origination capabilities, to improve the flow of credit at an attractive cost, EHFL said in a release on Wednesday.

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Under this partnership, EHFL will originate, process and service the loans and retain 20 per cent of the loan on its books, while the remaining 80 per cent will be on the books of Standard Chartered Bank.

While the bank will be able to grow its loan portfolio by leveraging EHFL's origination, for EHFL co-lending represents an alternate model for loan disbursements that is asset light and creates a sound revenue model for sustainable business.

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"This partnership would help in leveraging the bank's diverse product offering along with the distribution strength and

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strong processing ability of Edelweiss to meet the financial needs within the [MSME](#) sector," said Aditya Mandloi, MD and Head, Business Banking, India, Standard Chartered Bank.

EHFL MD and CEO Rajat Avasthi said, "This partnership acts as a cornerstone to our asset light growth business model as we look forward to fulfilling the increasing credit demand India is witnessing today."

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