

# CREDIT UTILIZATION AND REPAYMENT BEHAVIOR OF WOMEN MEMBERS UNDER SAVAR THANA OF WORLD VISION PROJECT

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Reg. No. 96-11-504

Defense Term: Autumn, 1999

## ABSTRACT

The study was conducted with 65 sample of women borrowers in Savar of Dhaka district. The objectives were to: (i) describe the selected characteristics of women borrowers and their relationship with and contribution towards their loan utilization and repayment behavior; (ii) identify the problems faced by them in receiving credit and by World Vision (WV) project staff in operating credit program. Data were collected from October to November' 1998. The findings revealed that 72.31 percent borrowers properly utilized their loan. About 20 percent had medium level utilization of their credit and 7.69 percent had low level of utilization. Almost all the borrowers (95%) repaid their credit on time. The annual income and attitude towards WV credit program had moderate relationship with the credit utilization and were significant at 0.05 level of probability. Functional Education program for the borrowers had substantial association with their credit utilization and was significant at 0.01 level of probability. Further, stepwise regression analysis pointed out that Functional Education program and attitude towards WV credit program combinedly contributed 43.27 percent of the total variance. In other words, Functional Education program contributed 34.96 percent and attitude towards WV credit program contributed 8.31 percent. As a result, 56.75 percent of the unexplained variance is left which to be accounted for. The most serious problem faced by the borrowers at the time of receiving credit was "Delay in credit disbursement due to its lengthy process" which followed by "Inadequate loan amount", "Credit use limited for productive enterprises" and "Lengthy process in getting recommendation from executive committee members". On the other hand, the most serious problems faced by the Area Manager and Project Coordinator in operating credit program were "Limitation of funds" and "Lack of manpower" respectively. The other problems were "Minimum selected items for financing" "Poor follow-up and monitoring", "Insufficient technological support to borrowers", "Inadequate computerized credit program" and "Illiteracy of women borrowers". By and large, if these problems are solved, then cent percent credit will be utilized as per assigned purposes. In return, rural credit program of WV will keep significant contribution in alleviating poverty with full satisfaction of the authority.