

**Women Loan Repayment Rate
Evidence from Selected Microfinance Institutions, Moshi Municipality
By**

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Abstract

Microfinance institutions have emerged as one of the major contributors of poverty alleviation and sustainable economic growth. Specifically, women business sector has found the way to improve their business through the use of microfinance services. However, taking loan or borrowing is easy but challenge comes at times of repayments. The delays in repayments and loans default threaten the microfinance institutions. This is due to negative effects of low-repayment rates. Thus, the study assessed low loan repayment rates to microfinance institutions by business women in Tanzania. The paper addressed two specific objectives. The first was to examine effect of loan's conditions set by microfinance institutions on the loan repayment for business women. The second was to determine factors influencing the repayment of loans borrowed by business women to selected micro-finance institutions. There were four loan conditions set by MFIs namely Interest rate, training on loan management, loan repayment grace periods and repayment schedules and loan repayment enforcement measures. Multiple borrowing by many business women was mentioned as one of the major factors influencing loan repayment in microfinance sector. The ability to repay multiple loans becomes a challenge. Other factors include family responsibilities, lack of financial and entrepreneurship training and inconvenient loan repayment time. Therefore, there is a need to undertake training on loan management and business management to the clients.

Keywords: Loan repayment rate, women entrepreneurs, women borrowers, microfinance institutions