

**Determinants of Loan Repayment by Customers**  
**A Case of Azania Bank**  
**By**  
**Wilbert Lukwaro**  
**Master of Arts in Business Management, Moshi Co-operative University**  
**(MoCU), 2016**

The study focused on determination of loan repayment by customers with evidence from Azania Bank Moshi Branch. The study aimed at assessing the determinants of loan repayment in commercial banks. Specifically, it examined procedures/activity flow and lending criteria applied by the bank in the provision of loans to customers, factors affecting borrower's repayment ability and determined challenges faced by the bank in loan provision and follow up. The study used a cross sectional design and employed purposive and stratified sampling technique in selecting respondents of the study. The study used interviews, documentary review and structured questionnaire survey to collect the intended data. It was revealed in the study that banks apply various procedures or activity flow in the provision of loans. It showed that procedures differ according to the type of loans. Factor analysis results indicated that variables that influence loan repayment performance in the area include; repeatedly borrowing, instructions on use and payment of loan, loan amount, loan processing time, and loan purpose and type. Challenges in loan provision processes as identified by the study include; limited number of man power, multiple borrowing, submission of forgery documents, limited surveying and valuation skills among loan officers and limited bank' loans awareness among neighbourhood leaders. It is recommended by the study that banks should make frequent visits to customers and customers ought to submit right information.