

**FACTORS AFFECTING CREDIT MANAGEMENT IN SACCOS:**

**(A CASE OF NAKURU COUNTY)**

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**A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT AND ACCOUNTING  
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## ABSTRACT

Savings and Credit Co-operative Societies (SACCOs) in Kenya have been investing over the years with the objective of assessing factors affecting credit management of Sacco's in Kenya. As is the case with all investments, credit management is a key objective whenever SACCOs have chosen an investment avenue from a universe of possible investment. Studies have shown that credit management has made it difficult for Sacco's to absorb their operational losses, which has threatened their sustainability. This has led to the losses being absorbed by members' savings and share capital, hence the loss of members' savings. While the purpose of SACCOs is to mobilize members' funds and grant credit for the members' development, this has made it difficult for the SACCOs to manage credit and achieve this objective and contribute favorably to National Domestic Savings. This study seeks to establish the role of SACCOs in managing credit risk with a view of improving socio-economic development of the society. The specific objectives are to determine if credit policy influences credit management, effects of interest rates on credit management and to determine if proper maintenance of liquidity affects credit management. The research design of the study was based on descriptive research design in soliciting factors affecting credit management. Data will be collected using both primary and secondary methods of data collection. Primary data will be collected using structured questionnaires from a population of 20 SACCOs within Nakuru town and analyze using SPSS techniques.