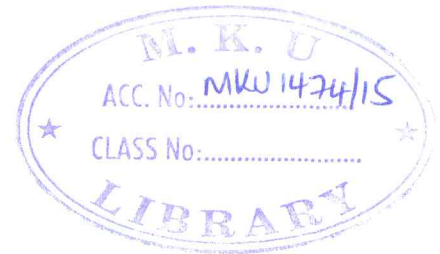


**IMPACT OF LOAN DEFAULT ON MICRO FINANCE INSTITUTIONS
PERFORMANCE IN KENYA.A CASE OF FAULU MICRO FINANCE IN KENYA**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF
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ABSTRACT

The purpose of the research project was aimed at investigating the impact of loan default on micro finance institution performance in Kenya, a case study on Faulu Micro finance institution. It gives a grasp of the major causes of Nonperforming loans and at the same time the possible methods of facing up to the challenge to help reduce the incidence of NPLs in MFIs.

Collection of information regarding the institution in place was undertaken by through questioners. This study was mainly conducted to help reduce the impact of nonperforming loans and hence ensure that the MFIs are able to achieve their interest income and hence profitability in the business.