

**DEBT COLLECTION MANAGEMENT AS A CONTEMPORARY ISSUE FACED BY
MICROFINANCE INSTITUTION**

A case of Faulu Kenya

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ABSTRACT

The area of study was debt collection as contemporary issues facing microfinance institutions in Kenya as the set-back micro finances suffer is mostly of their liabilities caused by bad debts hence making them less competitive in the market. They were general and specific objectives formulated in order to steer the direction of the research project. They included; general: The study sought to investigate the challenges facing microfinance institutions in debt collection.

Specific objectives -To find out to what extent does professional qualifications and competence of employees affects debt collection in microfinance institutions.

- To find out whether lack of collateral affects debt collection in microfinance institutions.
- To find out whether technology affects debt collection in microfinance institution in Kenya
- To find out whether the living standard of borrowers affect debt collection management in Kenya

The research concentrated on Faulu Kenya particularly-Nairobi branch which has 8 outlets. The target population of the study consisted of loan managers, loan managers' assistants and credit officers in Faulu branches within Nairobi, which has a total population of 80 members. Chapter one gave the background, history, objectives, scope and definition of terms. It gave an elaborate explanation on the genesis of microfinance and a history of Faulu Kenya in the country.

Chapter two gave the literature reviews of renowned authors explains what they said about the topic under consideration. A theoretical and conceptual framework was formulated to give a clear picture and to make it easy for the review. Also summary of the variables that is independent and dependent was made.

Chapter three gave the research design that was adopted for the project, data collection method and technique that is questionnaires, stratified random sampling and descriptive analysis. Ethical issues were also highlighted and way to curb them explained. Chapter four where data analysis,

presentation and presentation was done and hypothesis formulated. Chapter five gave the summary, conclusion, recommendation and limitations encountered during the study.

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