

**LOAN REPAYMENT BEHAVIOR OF FEMALE BORROWERS  
OF BRAC IN SANTHIA BRANCH UNDER PABNA DISTRICT**

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OF BRAC IN SANTHIA BRANCH UNDER PABNA DISTRICT**

**BY**

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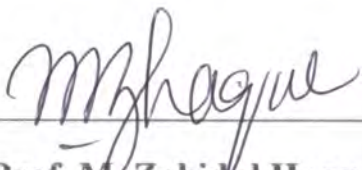
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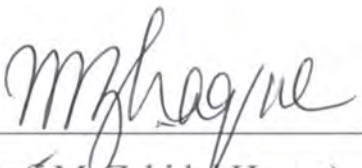
## *CERTIFICATE*

This is to certify that the thesis entitled, “**LOAN REPAYMENT BEHAVIOR OF FEMALE BORROWERS OF BRAC IN SANTHIA BRANCH UNDER PABNA DISTRICT**” submitted to the Faculty of AGRICULTURE, Sher-e-Bangla Agricultural University, Dhaka, in partial fulfillment of the requirement for the degree of **MASTER OF SCIENCE IN AGRICULTURAL EXTENSION** embodies the result of a piece of bona fide research work carried out by Md. Rezaul Karim, Registration no. 26208/00499 under my supervision and guidance. No part of this has been submitted for any other degree or diploma.

I further certify that any help or sources of information received during the course of this investigation have been duly acknowledged.

Dated: .....

Dhaka, Bangladesh

  
\_\_\_\_\_  
(Prof. M. Zahidul Haque)

Supervisor

# **DEDICATION**

**THIS WORK IS DEDICATED TO  
MY BELOVED PARENTS**

## **Acknowledgement**

*All praises and thanks are due to the supreme Ruler of the universe and almighty Allah for his endless mercy bestowed upon the author for successful completion of his research study.*

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## ABSTRACT

Based on the finding, loan repayment behavior of female borrowers was assessed in this study. The objectives of the study were 1) to discuss the socio-economic characteristics of the female borrowers 2) to assess the loan repayment behavior of the female borrowers 3) to explore the relationship between each of the selected characteristics of the female borrowers and their loan repayment behavior 4) to identify the problems faced by the female borrowers in repaying loan to BRAC. The study was conducted at Santhia Thana of Pabna district. The population of the study was 1000 female borrowers from which a sample of 100 female borrowers was selected using a proportionate sampling technique. Data were collected through face-to-face interviewing of their respondent from September 02 to October 02, 2006. It was found that age, education, family size and organizational participation of the female borrowers had no significant relationship with the loan repayment behavior while land tenure, annual income, annual expenditure and attitude towards the BRAC loan had significant relationship with their loan repayment behavior. The findings reveal that 26% of the female borrowers repaid their loan regularly. 53% of the female borrowers were medium paid group and only 21% of the borrowers were irregular paid group. Based on the loan Repayment Problem Index, it was observed the "Money to repay loan often not available" was ranked 1<sup>st</sup> followed by "Sudden hazard due to natural calamities" was ranked 2<sup>nd</sup> "less profit received from sales produce" was ranked 3<sup>rd</sup>.

# CHAPTER I

## INTRODUCTION

### 1.1 General background of the study

A marked change is observed in the socio-economic development of the country and also in the attitude of women themselves. They are now coming out of four walls of their households for getting the traditional values and are looking for work opportunities which give them direct access to cash income. The significant contribution made by the women in agriculture and the changing pattern of their involvement is one of the major findings of the UNDP / UNIFEM, 1988 report. Since Independence, the Government of Bangladesh has put much emphasis on agricultural sector. Keeping in view the importance of the agriculture sector, various efforts are being taken to increase the flow of credit in agriculture sector. Since long the Bangladesh krishi Bank (BRDB), Grameen Bank and BRAC has been engaged in loan giving activities.

The majority of the rural families, especially the poor women have limited access to institutional credit. In order to design viable credit programme for poor women, it is necessary to identify the critical factors which are likely to contribute to ensure adequate access to credit institutions and handing the success of loan programmes. At the same time, if the proper utilization of credit is not ensured it greatly hamper the repayment performance of the borrowers and ultimately the loan giving activities in the long run are ceased as women contribute half of our nation who can make significant contribution in income generation programmes.

Population census and labor survey indicate that 10% of women in Bangladesh participate in economic activities (Hossain, 1988). The involvement of women in the activities such as post harvest processing of agricultural produce, production of fruits and vegetables in kitchen gardens, rearing of poultry, goat, cattle and manufacturing



of industries and trading are being appreciated if women are given proper to credit they change themselves from unpaid family workers to income earners for the household. In this aspect BRAC is one of largest NGOs which provide loan to poor women who engages themselves in income generating activities. The special activities of BRAC are as follow.

1. Work with the poor, especially women and children.
2. Engage in multifaceted development inter venting.
3. Strive to promote changes in the quality of life.
4. Work towards attaining socially and environmentally sustainable programmes.
5. Actively promote human rights, human dignity and gender equity.
6. Help shape national and global policies on poverty reduction and social progress.
7. Foster the development of human potential.

All these helps the rural women to recreate a social environment which allow them to act as self-confident human being and not as social parasites.

To widen up the rural women access to institutional credit, credit programme have been designed and experimented with which have bypassed conventional collateral requirements. Collateral free loan is provided by the BRAC to female borrowers. The viability and sustainability of such collateral free credit environments hinges upon high repayment rates. Targeted micro-credit programmes for women such as of BRAC and its prototypes have provided adequate evidence of the fact that under certain condition and institutional rearrangements women can be good loan repayers.

A pertinent question which merits consideration is to what extent does women's "good behavior" regarding from repayment owe itself to the specific feature of the BRAC model and its variations. This is important to ascertain because in case where BRAC's operating are not feasible, it is necessary to successful credit operation for women high rates of repayment prior to designing and implementing the credit supply

mechanism and other related development work. The present study therefore tries to identify those factors determinant the successful repayment.

In spite of few studies conducted on this aspect, there is insufficient stock of necessary and relevant information from this point of view; the researcher was interested to undertake this study. It is believed that the finding of the study will provide valuable guidelines for the consideration of decision making personnel in the field of agriculture. The study may be useful in providing necessary information in loan repayment behavior for the women belonging to different characterization. The findings might have general application to other location of Bangladesh where identical conditions are prevailing.



## **1.2 Statement of the problem**

BRAC is an NGO that mostly deals with poor people, the disadvantaged women of the society who are forced to live in exploited condition in the rural society are the target group of BRAC. Many activities like micro-credit, poultry livestock etc. are being conducted by the BRAC women need credit to buy input better equipment and improved household technology (Mohiuddin, 1991). Regular repayment of loan is pivotal for a viable loan. International Fund for Agricultural Development (IFAD) recognized that poor women have limited access to credit not only because of being poor, but also because, several of the conditions are gender specific (Mohiuddin, 1991).

High Loan recovery is a prerequisite for the long term sustainability of any credit operation (Musharraf, 1991). Some IFAD project have found that women's risk of failure and indebtedness would be reduced by directing credit more towards enterprises with small financial investment, short gestation period and local market demand (Muhsarraf, 1991).

But credit is rarely available to the poor at reasonable rate of interest commercial banks fail to cater to the credit needs of the poor for three main reasons. First, each banks require collateral, which the poor find difficult to provide. Second, their procedures for filling in application forms and completing other formalities for obtaining loans are too cumbersome for the less literate poor. They prefer handlings large loans rather than the petty loans that the poor need (Hossain, 1988). But BRAC provides loans to these poor without any collateral.

Apparently, it is necessary to get answers to the following relevant questions

1. What are the socio-economic factors that affect the loan repayment by the borrowers?
2. What is the relationship of each of the identified factors to the repayment of loan by the borrowers?
3. To identify the problems faced by the borrowers in repayment credit.

To find out the solutions in minimizing the above mentioned problem it seems in operative to conduct a study on “Loan repayment behavior of female borrowers in Santhia Branch of BRAC under Pabna District”. The General purpose of the study was to understand the different aspects of the BRAC and its women borrowers.

### **1.3 Objectives of the Study**

The following were specific objectives of the study:

1. To describe the characteristics of female borrowers of BRAC.
2. To assess the repayment behavior of female borrower of BRAC.
3. To determine the relationship of loan repayment behavior of the female borrowers with their selected characteristics
4. To identify the problems faced by the borrowers in repaying Loan to BRAC.

#### **1.4 Scope and Limitation of the study**

The study was aimed at a population of women borrower of income generating loan from institutional sources such as BRAC and with a view to investigation the level of loan repayment by women beneficiaries of BRAC.

The findings of the study were particularly applicable to 8 villages of Santhia thana under Pabna District. The findings of this study were more of location specific and have a generalization elsewhere may not be possible if identical socio-economic situations are not in existence. In spite of this limitation the results of this study may serve us a guide live for understanding the dynamics of rural women participation in development syndrome and the socio-economic setting they are working under.

### **1.5 Statement of Hypothesis**

The null hypothesis was stated like this “There is no relationship between women borrowers’ loan repayment performance with any of the following selected variables”:

1. Age
2. Education
3. Family size
4. Land tenure
5. Annual income
6. Annual expenditure
7. Organizational participation
8. Attitude towards BRAC loan

### **1.6 Definition of Functional terms**

For clarity of understanding certain term frequently used throughout the study are defined below:

#### **Loan**

Loan was defined as the amount of money received by the clients form BRAC for some specific purposes at a certain rate of interest and generally repayable in a year.

#### **Loan repayment behavior**

The regularity of the clients in repaying their installment of different loans.

#### **Age**

Age of a women was defined as the period of time expressed in years from her birth to the time of interview



**Education**

Education referred to the development of desirable changes in human behavior. In others words it is the development of desirable knowledge, skills and attitude in an individual through reading, writing, observation and other related activities. It was measured in terms of schooling (i.e. highest class passed) of a respondent.

**Family size**

Family size of a respondent was defined as the number of individuals in her family including herself, her husband, children and other dependents.

**Land Tenure**

It was defined as the land area possessed by a respondents family including her homestead and farming land. It was expressed in hectare.

**Annual Income**

Total earning of an individual and the members of her family from farming and other sources (Business, service, daily working etc) during a year. It was however the gross annual income and expressed in Taka.

**Annual Expenditure**

It was defined as the total expenditure of an individual and the members of her family for various purposes during a year. It was however the gross annual expenditure and expressed in Taka.

**Organizational Participation**

An organization was defined as an association of persons which has a name, a regular set of officers and at least once face to face meeting in a year. Participation of a borrower in an organization referred to her taking active part in the organization as an ordinary member, executive committee member or officers.



### **Attitude towards BRAC Loan**

An attitude may be defined as predisposition to act towards an object in a certain manner. It is an enduring psychological system consisting of three interacting components may be classified as (a) cognitive component – the beliefs about the object (b) the feeling component – the effect connected with the object and (c) the predisposition or action tendency component – the predisposition to take action with respect to the object. Attitude of women towards BRAC loan was, therefore, used to refer to her belief, feeling and action tendency towards the various aspect of BRAC loan.

## CHAPTER II

### REVIEW OF RELATED LITERATURE

#### **2.1 Loan repayment behavior of the borrowers**

Sharma et al. (1997) conducted a study on repayment performance in group based credit programme in Bangladesh: ASA and RDRS. It conducted that if basic principles of prudential banking are adhered to repayment rates could be good even in poor and remote communities. The important thing for financial institutional was to tailor services so that it become worthwhile for the poor to established a profitable long-term association.

Gofran (1996) carried out a study on “Loan Utilization and Repayment Behavior of Women Members in Basan, Gazipur Branch of Grameen Bank” under Gazipur district. In his study, in case of credit repayment all borrowers under the study are were repaid their credit and there was no defaulter.

Amin et al. (1994) reported that from income generating perspective, the three programme –Grameen Bank, BRAC and BRDB had been successful because the loan recovery rate was very high, ranging between 96 and 100 percent then either to group responsibility and group pressure and/or grassroots mobilization efforts.

Gibbon (1994) pointed out increasing evidence that the Grameen Bank financial system had widespread applicability among the very poor throughout the word. He showed that 10 different nations from Asia, Africa and North America following the Grameen Bank model attained satisfactory loan repayment records of 99-100%.

Arene (1993) found that high repayment farmers had farming experience, higher level of formal education, larger household size than low repayment farmers.

Hossain (1993) found that the loan repayment performance is excellent. Only 0.5% of loans to 975 borrowers surveyed were overdue beyond year and overdue weekly installments (before the expiration of the one year repayment period) were only 3.3% of the total amount borrowed. The Grameen Bank concept of credit without collateral should work in other countries with widespread poverty and under employment.

Roy et al (1993) conducted study on agricultural loan repayment performance of the farmers in Manikgonj district and they observed that 71 percent farmers were low in credit repayment while only 4 percent farmers were found to be high in credit repayment performance. They suggested that unless an effective agricultural credit was ensured, further allocation of agricultural loan among the farmers would add to the inefficiency of agricultural economy.

Arunachalam (1991) in a study on Working Women's Co-operative Societies Tamilnadu reported that 30% that of the borrowers were recovered within a period of 3 months, 50% were recovered within 3-6 months time and only 17% were repaid over a 6 month period.

Mohiuddin (1991) found a good evidence of women's repayment behavior. For example, Aga Khan Rural Support Programme (ARSP) in Pakistan; Grameen Bank (GB) in Bangladesh, Working Women's Forum (WWF) in India and Mahweli Ganga (MG) in Srilanka, Women desired and were willing to pay for credit. Moreover, there was mounting evidence that women's repayment record were better than those of men. She further added that in Bangladesh North-West Rural Development (NWRD) Projects, the targets were exceeded in terms of number of many of society that were formed and the growth rate of saving of these group (which was higher than the rate for men), as was the repayment rate.



Gangopadhyay and mitra (1991) showed little relationship between types of crop sequences credit worthiness. The repayment of loans also depends on the nature of loan taken.

Hanson et al. (1991) showed the inability of many farmers to repay debt obligation, due to following commodity prices, stagnant farm income and declining land values (the collateral securing much of the debt), is probably the clearest example of the extent of the farm financial crisis of the early and mid-1980's.

Njoku and Obasi (1991) showed that loan repayment performance was poor, with only 33.72% of the total value of loans repaid. The amount of loan received, the rate of interest charged on loans and household size, were the three most important determinants of loan repayment. Moderating the amount granted as loan so that projects can be effectively financed to maturity without misuse of funds and keeping interest rates low, may be appropriate measures for achieving improved loan repayment performance.

Mahfuz (1990) stated that the relationship between age of farmers and loan repayment was positive and the relationship between farm size and loan repayment was highly significant and positive. He also stated that the relationship between income and loan repayment was highly significant and the relationship was positive.

Njoku and Nzenwa (1990) indicate that the overall loan repayment was poor with only 1.5% of total loan repaid. The amount of loan borrowed was positive and highly significant determinant of loan default and tended to reduce loan repayment. The occurrence of natural hazards, short loan duration and late disbursement of loan were among the most critical constraints of loan repayment. Measures are suggested for improving loan repayment performance.

Reddy and Reddy (1990) identified that the socio-economic factors influencing the repayment of loans to co-operatives India. It examines a number of socio-economic characteristics of the borrower, such as caste literacy, individual status political affiliation, size of landholding and occupation, as well as the magnitude of loan borrowed, earnings of family members, irrigation and cropping pattern, for possible relationship with default in loan repayment. The analysis suggest that the occupation of the borrowers, type of crop grown, political affiliation, individual status, caste literacy and irrigation experience are important factors influencing overdue loans.

Mahfuz (1990) observed that the relationship between farm size and loan repayment was highly significant and positive.

Islam (1987) undertook a study in Rangpur district and stated that the extent repayment of credit in his study area was only 18.02 percent. He stated that small farmers had the higher repayment percentage than the farmers.

Hoque (1987) found that farm size had positively significant relationship with the repayment of loan.

Islam (1987) observed that cash surplus was directly and significant related to the borrower's repayment behavior.

Hussain (1986) in his study observed a positive relationship between the loan repayment and relationship size of farm. But he also observed that repayment of loan increased with the increased of farm size except the large farm size group where it declined. He reported a positive relationship between annual income and repayment of loan and negative between level of education and repayment of loan.

Okorie (1986) showed that four factors are identified as having a great affect on the loan repayment performance of on state small holders, as demonstrated by their nature of disbursement (0.372), time of disbursement (0.6458), number of supervisory visits by credit officers after disbursement (0.411) and the profitability of enterprise on which loan funds were invested (0.309).

Shaha (1986) conducted a study and stated that there was a negative relationship between income and the repayment performance of borrowers. The borrowers of lower income brackets were therefore good repayers.

Sarker and Mitra (1986) identified empirically the economic factors which explain the variation in repayment behavior between farmers in West Bengal under normal conditions. It was found that the variation could explained in terms of irrigation potentiality, cropping intensity or farm mechanization, by rather in terms of farm size, crop yield and cash income of the borrowers.

Hossain (1984) again showed an index of maintaining regularity in payment of installments from 1980 to 1983. In case of males regularity in payment were 85.1%, 85.75, 87.0%, 84.4%, while in case of female borrowers the figures were 76.1%, 88.6%, 90.8% and 93.9% respectively for the year 1980, 1981, 1982 and 1983.

Sufian (1984) showed that short term loans recorded a better performance than long term. Some of the reasons for the poor repayment performance include the dole-out mentality, lack of loan supervision for public borrowers; too big loan sizes which increase the possibility of companies; and inadequate pre-loan.

Basher et al. (1981) showed that rate of recovery of loan disbursed by the institutional source was very unsatisfactory. Even in the case of special agricultural credit programme it very poor. Smaller were observed to be better in terms of the repayment



of loan. A study showed that only 25 percent of the especial agricultural loan were repaid by small and subsistence farmers having size of holdings between 0.00-1 acre and 1.00-2 acre repaid higher (42 and 32 percent of loans respectively than the medium and large farmers who repaid only 22 and 21 percent of loans respectively.

Rahman (1980) in his study in two villages at Bogra district observed that among the factors affecting the loan repayment of the farmers, non-farm expenses was the main reason during the study years.

Elahi and Jabbar (1980) found that recovery percentage of outstanding BSBL and BRDB were on an average only 27 and 62. The recovery position of special agricultural credit had been highly unsatisfactory. Recovery as percent of amount disbursed was found to be only 3.71 in 1981-82 where a it was much higher to the previous years.

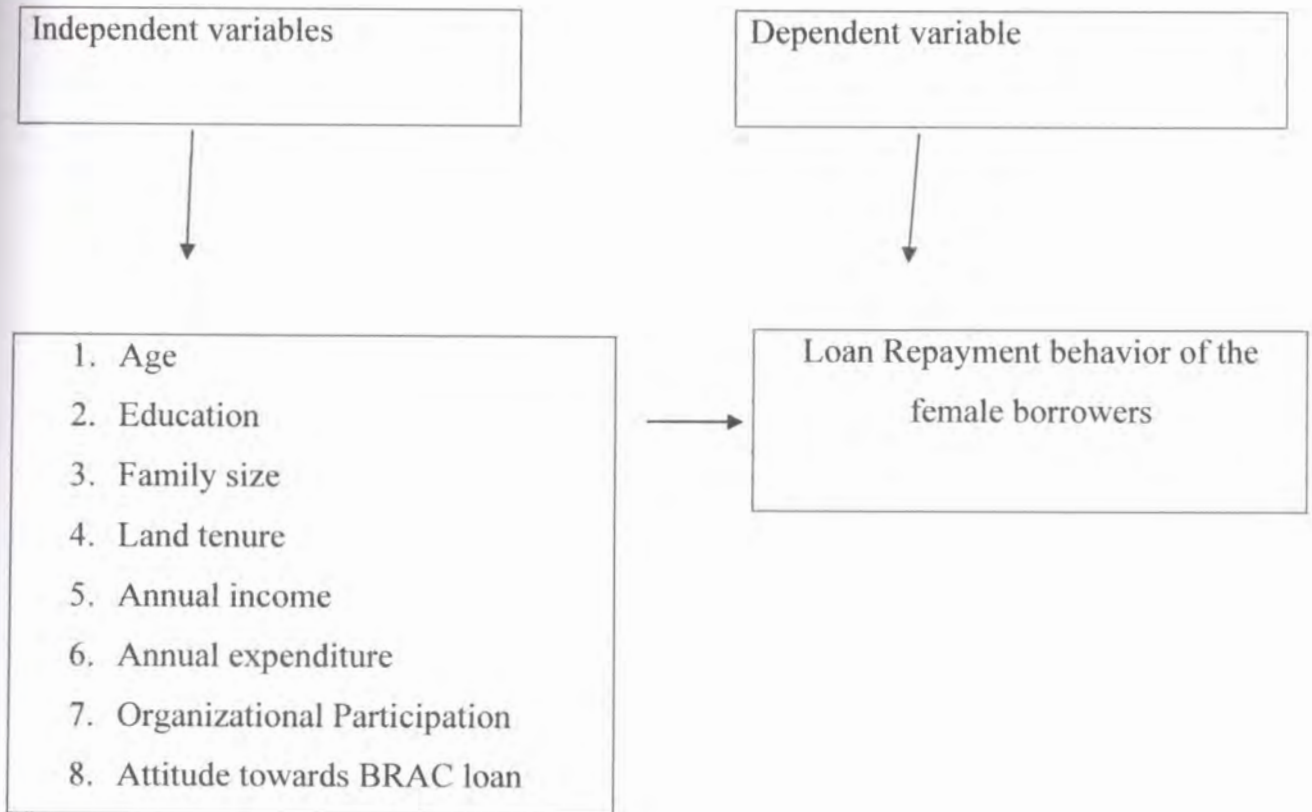
Nabi (1977) in his study "An economic Study of the Operation of landless and Small Farmers Paddy Processing Group Under katalsar were more regular in repaying loan money in due time than those of small farmers.

Maleq (1977) in his study "Action Research Project on small farmers and landless laborers in Bangladesh" showed that loan utilization and loan repayment were to be highly satisfactory compared to normal agricultural credit programme in the country.

Karim (1976) in his study found that there was a strong positive relationship between the borrower attitude forwards loan and loan repayment performance. He further found that there was strong positive relationship between borrower's cash receipts and loan repayment behavior.

## 2.2 Conceptual Framework

The conceptual framework was kept in mind forming the structural arrangement for the dependent and independent variables. The conceptual framework of this study is shown in figure 2.1



**Figure 2.1 Conceptual framework of the study**

## **CHAPTER III**

### **METHODOLOGY**

Methodology deserves a very careful consideration in social research. It is very important in conducting research for getting reliable information, accurate analysis valid results from the study. The researcher has given much emphasis to follow the methodology property. The researcher bears the responsibility to clearly state as to what sorts of research design, method and procedure he would follow in collecting valid and reliable data and to analyze and interpret these to arrive at a conclusion. The methodology used in this study, is described in this chapter.

#### **3.1 Locale of the study**

The study was conducted in eight villages under Santhia branch of BRAC under Pabna District. The reason for selection this area is that its socio-economic features are well known to the researcher and considering proper utilization of time and resources. Location of the study is shown in figure 3.1 and 3.2.

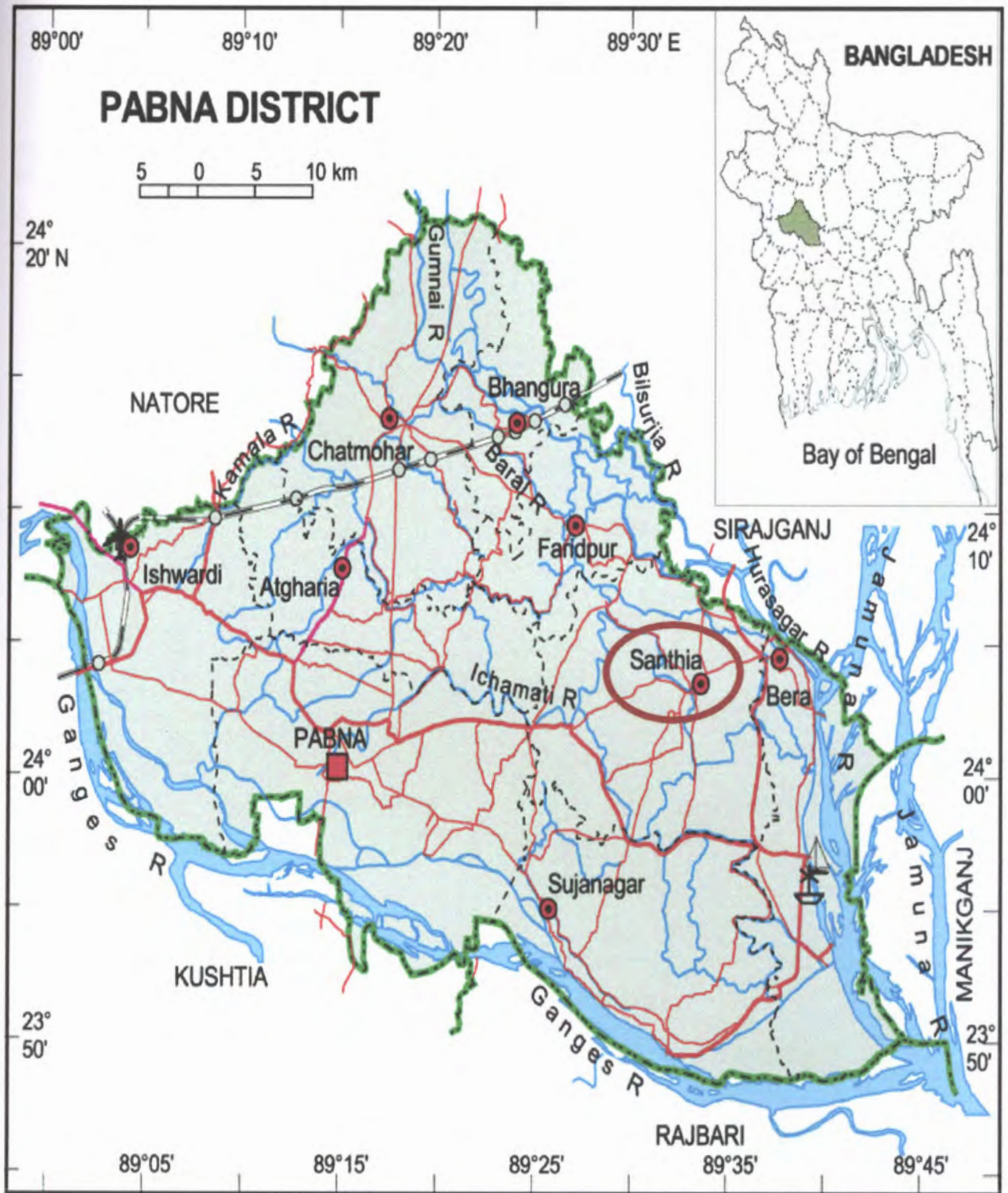
#### **3.2 Unit of Analysis**

The units of analysis of this study were women member of BRAC in eight villages under Santhia branch. They got themselves involved in various agricultural and other income generation activities by taking loan from BRAC. The major criteria members of the associations who were engaged in agricultural income generating activities like milking cow rearing, beef fattening, poultry rearing, rice cultivation etc.

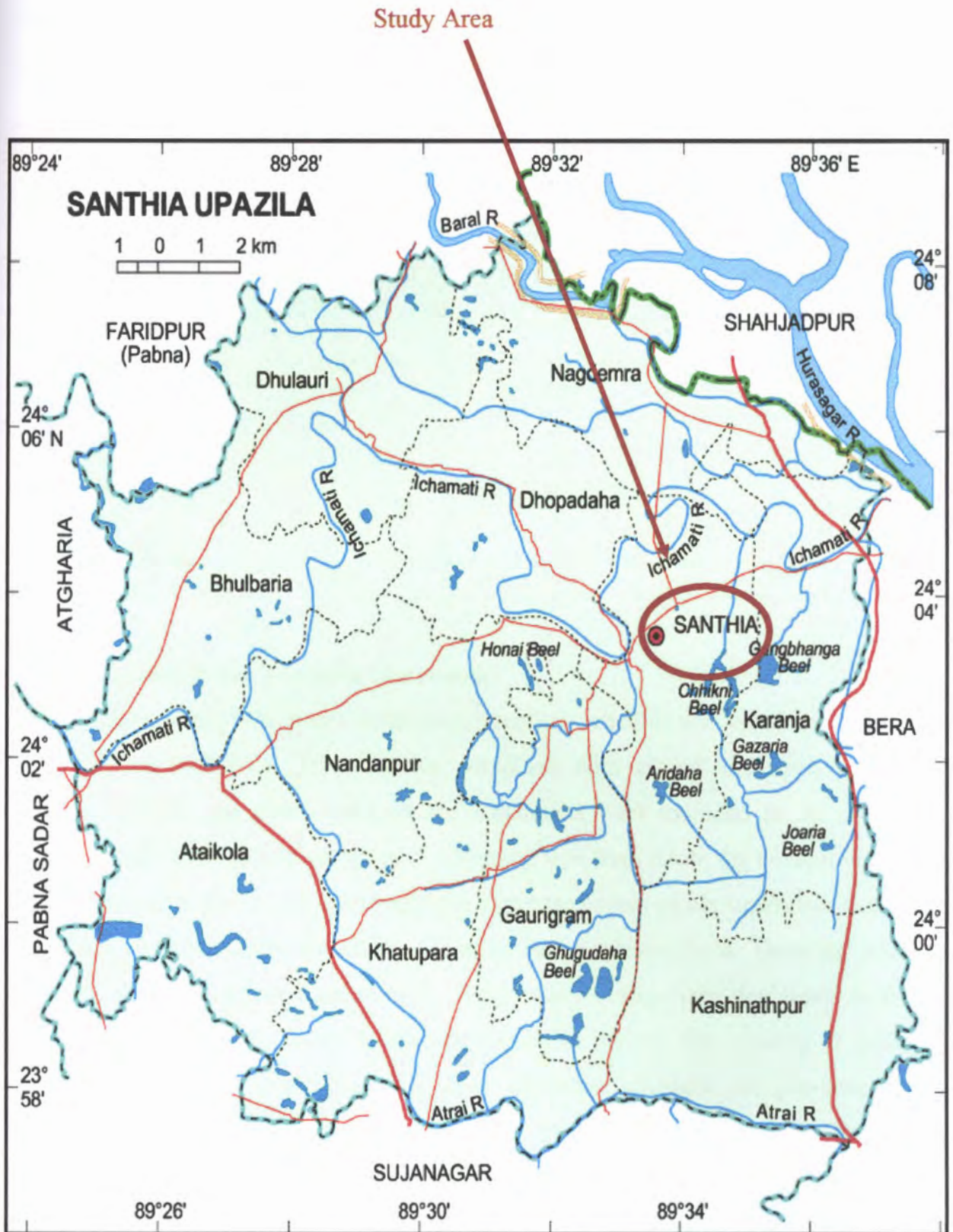
#### **3.3 Population and sampling design**

An updated list of the female borrowers of the selected 8 villages was prepared with the help of the branch of the BRAC. The total numbers of borrowers were 1000 which constituted the population of this study. One hundred (Sampling rate 10%) were selected through random sampling technique.





3.1 A Map of Pabna District Showing the Locale of the Study



**3.2 A Map of Santhia Upazila Showing the Locale of the Study**



A list of 10 borrowers was made as second sample for using the same in case of non-availability of sampled borrowers.

**Table 1: Distribution of Population Sample and Reserve List of Borrowers in Different Villages of Santhia Branch of BRAC**

Village	Number of borrowers		Reserved list
	Population	Sample	
Chakmodhupur	68	7	10
Dayrampur	100	10	
Holudgar	180	18	
Sonatola	300	30	
Shosadia	100	10	
Dhopadah	120	12	
Konabaria	42	4	
Santhia Bazar	90	9	
Total	1000	100	

### 3.4 Preparation of the Research Instrument

Keeping the object of the study in mind an interview schedule was carefully designed to collect relevant data. The schedule contained both closed and open form of question. Simple and direct question and statements were included in the selected dependent and independent variables. To become free from doubt the content validity of the instrument, the researcher sought the expertise opines of his supervisor and co-supervisor as well as other knowledge, persons in the relevant field. The suggestions received were incorporated accordingly. Appropriate scales were developed with a view to operation the selected characteristics in bangle for making it easily understandable to the respondent. The draft interview schedule was pre-tested by administering the same of 10 BRAC female borrowers of the same branch. The pre-tested was helpful to detect weakens of the draft schedule. Necessary Correction addition, alternations and rearrangements were made in the schedule. The schedule



was then multiplied in its final form for of the interview schedule has been incorporated in the Appendix.

### **3.5 Date collection procedure**

Before starting the collection of data, the research met the branch manager and explained the objective of the study. The branch manager gave permission to the researcher regarding data collection from the borrowers under that branch. As a result the researcher received full co-operation from relevant person in collection data. Data were collected personally from the respondents through interview schedule. All possible efforts were made to explain the purpose of the study to the respondents and their answer were carefully recorded by the research. Out of 100 original sampled borrowers only 1 was not available during data collection. The researcher therefore, the interviewee one borrowers from the reserve list. Data were collected from September 02 to October 02, 2006.

### **3.6 Data coding and tabulation**

Data obtained were then coded complied, tabulated and analyzed in accordance with the objective of the study. Qualitative data were converted suitable scoring wherever necessary.

### **3.7 Selection of dependent and independent variables**

Loan repayment behavior female borrowers were the dependent variable in this study. As the loan repayment behavior of the female borrowers was the main focus of the study, so there are various factors which could influence this phenomena, but it was not possible in a single study to deal with all the factors. So discussing with the research supervisor, co-supervisor and other experienced persons and considering the limitation of time money and other resources available to the researcher eight characteristics of the borrowers were selected as the independent variables for the study. These variables were age, education, family size, land tenure, annual income, annual expenditure, organizational participation and Attitude towards BRAC loan.

### 3.8 Measurement of dependent variables

Loan repayment behavior of the female borrowers was the dependent variable. Loan repayment behavior of a respondent by computing repayment score according to the nature of repayment.

Repayment score was computed in the following way:

Nature of repayment	Score assign
Can't repay any installment	0
Rarely (Defaulter 5-6 installment)	1
Occasionally (Defaulter 3-4 installment)	2
Frequently (Defaulter 1-2 installment)	3
Regularly repay	4

By following the above mentioned procedure the repayment score of a respondent was measured.

The procedures for measuring the dependent variables are as following:

For score 1 considered irregular paid group (That means they default upto 5-6 Installment).

For score 2-3 considered medium paid group (That means they default upto 1-4 Installment).

For score 4 considered regular paid groups (That means they don't default).

### 3.9 Measurement of independent variables

The procedures for measuring the independent variables are as follow:

#### Age:

The age of a respondent was measured in term of year from her date of birth to interview.

**Education:**

Education was measured in terms of years of schooling completed by an individual in education institutions. An education by giving one point for each year of schooling completed for example, if a respondent passed the final examination of SSC his education score was taken as 10. If a person received education from outside the school, his education was assessed in terms of the standard of formal schooling. An education score of 0.5 was given to a respondent who could sign his name only.

**Family size:**

Family size of borrowers was determined by the total number of member in her family including herself, her husband, children and other dependents.

**Land tenure:**

Land holding status of a responding was measured in hectare using the following formula:-

$$Lt = (a+b+1/2c+1/2d-e+f)$$

Where

Lt = Total land area possessed (ha)

a = Homestead area owned by a respondent

b = Cultivated area owned by a respondent

c = Cultivated area taken as Borga

d = Cultivated area given as Borga

e = Lease given

f = Lease taken

**Annual Income:**

Annual income of a respondent was measured in taka on the basis of the total yearly earning of her family from agriculture and other sources. For determining agricultural income of a respondent first annual production of different farm outputs like crops, livestock, fishes etc. was ascertained. Then the total market price of the above items was determined on the basis of the prevailing market prices of the item at the time of



interviewing. Income of the respondent and other members of are family form others sources (Service, business etc.) was also determined.

**Annual expenditure:**

Annual gross expenditure of a respondent was measured in terms of taka on the basis of the total expenditure of her family firstly, cost of all the item such as food, education housing family cost management cost and others area measured in term of taka on the basis of the expenditure these are added together to obtain the total expenditure during the preceding year.

**Organizational participation:**

Organizational participation of a respondent was measured by the nature and length duration of participation in different organization. The scale used for computing organizational participation is given below.

Organizational participation score = PD

Where P = Participation  
D = Duration score

Participation score was assigned in the following way:

Nature of participation	score assigned
No participation	0
General number	1
Member of executive committee	2
Executive officer	4

Durational of score was assigned in the following way:

Duration of participation	Score assigned
Up to one year	1
Two years	2
Three years	3

If above three years score will be increase one for each year.



Organizational participation score was obtained by adding the scores of her participation in all organizations.

### **Attitude towards BRAC loan**

It was measured by constituting of ten statements (Five positive and five negative). A statement was considered positive if it possessed an idea favorable towards the BRAC loan. On the other hand, a statement was considered negative if it was unfavorable towards the BRAC loan. The respondents were asked to express their opinion in the form of "Strongly agree" "Agree" "Undecided" "Disagree" and "strongly disagree". A score of 4 was given to "strongly agree", 3 to agree, 2 to undecided, 1 to disagree and 0 to strongly disagree if the statement was positive. A reverse scoring method was followed in case if statement considered negative. Attitude score of a respondent was determined by summing the scores obtained by her-self for all the items in the scale. The indexed scores of respondents could range form 0 to 40, showing higher score for favorable attitude and vice versa.

### **Problem Faced by the Female Borrowers during Repayment of Loan:**

It was measured by constituting of six problems. The farmers were asked to express their problem in the form of 'very much', 'much', 'some', 'little' and not at all. A score of 4 was given to 'very much', 3 to 'much', 2 to 'some', 1 to 'little' and 0 to 'not at all'. Loan Repayment Problem Index (LRPI) was made by adding the score of all the borrowers. Severity of problems was measured according to the LRPI.

### **3.10 Categorization of respondents**

For describing the various independent as dependent variables the respondents were classified into various categories. These categories were developed for each of the variable by constructing the nature of distribution of the data and the social system. The procedures for categorization have been discussed while describing the respondent's characteristics in chapter iv.

### **3.11 Statistical treatment**

Collected data from the respondents were compiled, tabulated and analyzed in accordance with the objectives of the study. The SPSS pc+ package in micro computer was used to perform the data analysis statistical measures as percentage distribution, number frequency distribution, rank order, average and standard deviation were used in describing the selected dependent and independent and independent variables for clarity of understanding, table were also used for presenting the data.

Correlation tests were used in order to test the relationship of selected characteristics of the respondents with their loan repayment behavior. Throughout the study, one percent level of significance was used as the basis for rejection or acceptance of any null hypothesis.

## CHAPTER IV

### FINDINGS AND DISCUSSION

This chapter was divided into four sections, based on the objectives namely (4.1) selected characteristics of the respondents (4.2) loan repayment behavior (4.3) Relation of the selected characteristics of the borrowers of the borrowers with their loan repayment behavior (4.4) Problems faced by the borrowers in repaying the loan.

#### **4.1 Selected characteristics of the borrowers**

There are numerous interrelated and constituent attributes that characterize an individual and form an integral part in the development of her behavior and personality. Decision making behavior of an individual is largely determined by her characteristics. The phenomena loan repayment behavior. Again depend on the decision made by an individual. It was therefore assumed that loan repayment behavior of female borrowers would be influenced by their various characteristics. These characteristics were; age, education, family size, land tenure, annual income, annual expenditure, organizational participation, attitude towards BRAC loan. These characteristics of the borrowers have been described in this section.

##### **4.1.1 Age**

Age of the borrowers ranged from 18 to 50 years, the average being 32.59 years with a standard deviation of 7.93, (The respondents were classified into three groups according to mean  $\pm$  SD) the study group was moderately heterogeneous in terms of age level.

**Table 2: Distribution of Borrowers according to their age level**

Categories According to age level	Borrowers		Mean	SD
	Number	Percent		
Young (up to 24)	11	11	32.59	7.93
Middle (25-40)	79	79		
Old (above 40)	10	10		
Total	100	100		

The above table show that the highest proportion (79%) of the women borrowers were middle age as compared to 11% being young and 10% being old. Most all the borrowers (90%) were either young and or middle aged level few (10%) were above 40 years of age (Table 2).

#### 4.1.2 Education

Education level of the borrowers was measured by the member of schooling. The level of education scores ranged form 0 to 11 with an average of 4.83 and standard deviation 3.35. The respondent's were classified into four groups.

**Table 3: Distribution of Borrowers according to their education**

Categories	Borrowers		Mean	SD
	Number	Percent		
Illiterate	0	0	4.83	3.35
Can sign only	3	3		
Primary (1-5)	59	59		
Secondary (6-10)	31	31		
Above secondary >10	7	7		
Total	100	100		



The above show that Majority of the borrowers (59%) had primary level education 3% of the borrowers were Illiterate, about 31 percent borrowers had secondary level education. Only 7% of the borrowers had above secondary education.

#### 4.1.3 Family size

Family size of the female borrowers varied from 2 to 8 members per family with an average of 4.39 and standard deviation being 1.5. The respondents categorized into three groups.

**Table 4: Distribution of Borrowers according to their Family size**

Categories	Borrowers		Mean	SD
	Number	Percent		
Small (up to 3)	30	30	4.39	1.5
Medium (4-6)	62	62		
Large (above 6)	8	8		
Total	100	100		

Mean  $\pm$  SD

The above table show that 62% of the borrowers had medium family size followed by small family size (30%) 8% had large family size.

#### 4.1.4 Land tenure

Land tenure of the borrowers varied from 0.02 to 2 ha with an average of 0.55 and standard deviation being 0.50. The borrowers were categorized into five categories according to BBS, 2005.

**Table 5: Distribution of Borrowers According to their land tenure**

Categories	Borrowers		Mean	SD
	Number	Percent		
Landless (Up to 0.02)	27	27	0.55	0.50
Marginal (0.021-0.60)	37	37		
Small (0.601-1)	19	19		
Medium (1.01-2.5)	17	17		
Large (>2.5)	0	0		
Total	100	100		

According to BBS, 2005

The above table shows that Majority 37% female borrowers were marginal followed by 27% were small and 17% were medium as land holder.

#### 4.1.5 Annual income

Annual income of the borrowers ranged from TK 25,000 to Tk1,50,000. The average annual income of the borrowers was Tk76,650. The borrowers were categorized into three classes according to their annual income.

**Table 6 Distribution of Borrowers According to their Annual Income**

Categories	Borrowers		Mean	SD
	Number	Percentage		
Low annual income (Up to Tk52,000)	43	43	76.65	47.38
Medium annual income (Tk52,001-1,00,000)	35	35		
High annual income (Above Tk1,00,000)	22	22		
Total	100	100		

The above table show that 35% borrowers had medium, annual income ranging from Tk52,001 to 1,00,000 which was followed by low annual income (Up to Tk52,000). Only 22 percent had high annual income.

#### 4.1.6 Annual expenditure

Annual expenditure of the borrowers ranged form Tk.25,000 to 1,00,000. The average annual expenditure was Tk.57,980. The borrowers were classified into four groups according to their annual expenditure.

**Table 7: Distribution of Borrowers According to their Annual Expenditure**

Categories	Borrowers		Mean	SD
	Number	Percentage		
Low annual expenditure (Up to Tk44,000)	36	36	57.98	27.11
Medium annual expenditure (Tk44,000-72,000)	38	38		
High annual expenditure (Above Tk72,000)	26	26		
Total	100	100		

Mean  $\pm$  1/2 SD.

The above table show that the highest portion (38%) of the borrowers had medium annual expenditure while 36% low and 26% high annual expenditure.

#### 4.1.7 Organization participation

The computed scores of organizational; participation of the borrowers ranged from 2 to 8, based on the observed individual participation scores, the borrowers were classified into the following categories as shown in Table 8.

**Table 8: Distribution of Borrowers According to their Organizational participation**

Categories	Borrowers		Mean	SD
	Number	Percentage		
No participation	0	0	2.51	1.28
Low participation (up to2)	52	52		
Medium participation (3-4)	40	40		
High participation (Above 4)	8	8		
Total	100	100		

Data presented in the above table show that highest portion (52%) of the borrowers had low organizational participation as compared to the borrowers of other categories. Only 8% borrowers had high organizational participation.

#### 4.1.8 Attitude toward BRAC loan

Based on the score of opinion of the borrowers toward BRAC loan ranged from 20 to 30 against the possible range of 0 to40. The average opinion scores were 26.52 with standard deviation 2.93.

**Table 9: Distribution of Borrowers According to their Attitude Scores**

Categories	Borrowers		Mean	SD
	Number	Percentage		
Slightly favorable attitude (Up to 24)	15	15	26.52	2.93
Moderately favorable attitude (25-29)	66	66		
Highly favorable attitude (Above 29)	19	19		
Total	100	100		



The above table shows that major portion (66%) of the borrowers had moderately favorable attitude toward BRAC loan. 15% had slightly favorable attitude and 19% had highly favorable attitude towards BRAC loan.

#### 4.2 Loan repayment behavior of female borrowers of BRAC

Based on the repayment score of the borrower they were classified as following groups. The average repayment score was 2.56 and standard deviation 1.11.

**Table 10: Distribution of borrowers according to their repayment performance**

Categories	Borrowers		Mean	SD
	Number	Percentage		
Irregular paid group (Up to1)	21	21	2.56	1.11
Medium paid group (2 to 3)	53	53		
Regular paid group (Above 3)	26	26		
Total	100	100		

The above table shows that majority (53%) borrowers was medium paid group while 21% was low paid group and 26 was regular paid group.

### 4.3 Relationship between the selected characteristics of the borrower and their loan repayment behavior

Relationship the selected independent variables with the dependent variables were measured by simple correlation analysis. Our dependent variable was loan repayment behavior. Relationship of the selected characteristics of the borrowers with their loan repayment behavior which are presented in Table 11 and found that all the selected variables except age, education, family size, and organizational participation had significant positive association with their repayment behavior.

**Table 11: Relationship between selected characteristics of the borrowers and their loan repayment behavior**

Borrowers characteristics	Correlation coefficient 'r' value
Age	0.143 (NS)
Education	0.102 (NS)
Family size	0.149 (NS)
Land tenure	0.457**
Annual income	0.472**
Annual expenditure	0.388**
Organizational participation	0.179 (NS)
Attitude towards BRAC loan	0.498**

\* = Indicates significant at the 0.05 level

\*\* = Indicates significant at the 0.01 level

NS = Not Significant

#### 4.3.1 Age and their loan repayment behavior

The relationship between the age of the borrowers and their loan repayment behavior were examined by using the following null hypothesis, "There is no relationship between age of the borrowers of the borrowers and their loan repayment behavior".

The calculated value of 'r' was 0.143 which indicated that the relationship between age and loan repayment behavior was not significant. Therefore the null hypothesis could not be rejected and it was concluded that no relationship existed between age of the borrowers and their loan repayment behavior.

#### **4.3.2 Education and their loan repayment behavior**

Education is generally considered an index for social advancement of an individual or group. It helps an individual to foresee the consequence she may face in future. It also improves knowledge and helps in decision making.

The relation between the education of the borrowers and their loan repayment behavior was examined by using the following null hypothesis, "There is no relationship between education of the borrowers and the loan repayment behavior." The calculated value of 'r' was 0.102 which indicated that the relationship between education and loan repayment behavior was not significant. Therefore, the null hypothesis could not be rejected and it was concluded that no relationship existed between education of the borrowers and their loan repayment behavior.

#### **4.3.3 Family size and their loan repayment behavior**

The relationship between the family size of the borrowers and their loan repayment behavior was examined by using the following null hypothesis. "There was no relationship between family size of the borrowers and their loan repayment behavior". The calculated value of 'r' was 0.149, which indicated that the relationship between family size and loan repayment behavior was not significant. It showed that there was no significant relationship between the family size of the borrowers and their loan repayment behavior. Therefore, the null hypothesis could be accepted and it was concluded that relationship between family size of the borrowers and their loan repayment behavior was independent to each other.



#### **4.3.4 Land tenure and loan repayment behavior**

The null hypothesis “There was no relationship between land tenure of the borrowers and the loan repayment behavior.”

The calculated ‘r’ value for land tenure was 0.457 and found to be significant at 0.01 level. This means that the borrower’s large farm size had a greater tendency for loan positive association between the mentioned two variables.

#### **4.3.5 Annual income and land repayment behavior**

The null hypothesis was “There was no relationship between annual income of the borrowers and their loan repayment”.

The calculated value of ‘r’ was 0.472 that showed a position and significant relationship at 0.01 level of probability between annual income of the borrowers and their loan repayment. It showed an association between annual income of the borrowers and their loan repayment. Therefore, the concerned null hypothesis was rejected. This indicated that, more the annual income of the respondents, higher the loan repayment. It influenced thee to repay the loan regularly.

#### **4.3.6 Annual expenditure and their loan repayment behavior**

The null hypothesis was “There was no relationship between annual expenditure of the borrowers and their loan repayment behavior”

The calculated value of ‘r’ was 0.388 that showed a positive and significant relationship at 0.01 level of probability between annual expenditure of the borrowers and the loan repayment behavior. It showed an association between the annual expenditure of the borrowers and their loan repayment. Therefore, the concerned null hypothesis was rejected.



#### **4.3.7 Organizational participation and loan repayment behavior**

The relationship between the organizational participation of the borrowers and their loan repayment behavior was examined by using the following null hypothesis. "There was no relationship between organizational participation of the borrowers and their loan repayment. The calculated value of 'r' was 0.179 which indicated that the relationship between organizational participation and loan repayment behavior was not significant. It showed that there was no significant relationship between The organizational participation and their loan repayment. Therefore, the null hypothesis could not be rejected and it was concluded that relationship between the organizational participation of the borrowers and their loan repayment behavior was independent to each other.

#### **4.3.8 Attitude of the borrowers towards BRAC loan and their loan repayment behavior**

The relationship between the attitude of the borrowers towards BRAC loan and their loan repayment behavior was examined by using the following null hypothesis: "There was no relationship between attitude of the borrowers towards BRAC loan and their loan repayment". The calculated value of 'r' was 0.498\*\*, which indicated that the relationship between attitude towards BRAC loan of the borrowers and loan repayment was positively significant. It showed that there was positive significant relationship between attitude towards BRAC loan of the borrowers and their loan repayment. Therefore the null hypothesis could be rejected.

#### **4.4 Problem faced by the female borrowers in re paying loan to BRAC**

The borrowers were asked to pinpoint the problem that they faced during loan repayment. Six major problems were identified on the basis of during loan payment. Loan repayment problems index (LRPI) was made by adding the score of all the borrowers severity of a problem was measured according to the LRPI. The LRPI f the six problems could range from 0-400 by giving scores 4 for very much, 3 for much, 2

for some, 1 for little and 0 for not at all. However LRPI range LRPI range from 52-265. On the basis of LRPI the problem were ranked.

**Table 12: Problem faced by the female borrowers during repayment loan to BRAC**

SL No	Problem	Score	Rank order
1	Money to repay loan often not available	256	1
2	Sudden hazard caused due to natural calamities	216	2
3	Less profit received from sales proceed of produce	152	3
4	Inability of using the loan property	114	4
5	Sudden sickness and other problems of the earning member of family	86	5
6	Various religious festival and social occasions	52	6

Out of 100 borrowers 74 expressed their problem during repayment loan. The serious problem faced was Money to repay loan often not available followed by sudden hazard caused due to natural calamities (2<sup>nd</sup>), less profit received from sales proceeds of produce (3<sup>rd</sup>), inability of using the loan properly (4<sup>th</sup>), sudden sickness and other problems of the earning member of family (5<sup>th</sup>) and various religious festival and social occasions (6<sup>th</sup>).

## CHAPTER V

### SUMMARY CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary

This study was undertaken during 2006 in Santhia branch under Pabna district with the following specific objectives:

1. To discuss the general characteristics of the female borrowers associations receiving loan form the BRAC. The selected characteristics were: age, education, family size, land tenure, annual income, annual expenditure, organizational participation and attitude towards BRAC loan
2. To asses the repayment behavior of female borrowers
3. To determine the relationship of loan repayment behavior of the female borrowers with their selected characteristics
4. To identity the problems faced by the borrowers in repaying the loan

Eight villages under Santhia branch of BRAC were selected as the study area. The population of the study includes 1000 female borrowers. Among them 100 borrowers were selected by random sampling technique and were interviewed by using interview schedule. Data were collected from the September 02 to October 02, 2006.

Loan repayment behavior of the female borrowers was the dependent variable. Independent variables included eight characteristics of the borrowers, namely, age, education, family size, land tenure, annual income, annual expenditure, organizational participation and attitude towards BRAC loan.

Descriptive statistics like percentage, distribution, mean, standard deviation and rank order were used. Correlation of coefficient tests was used in orders to test (1) the relationships of all the characteristics of the borrowers with their loan repayment behavior.



## **Selected characteristics**

### **Age:**

The average age was 32.59 years. Highest portion 79% of the borrowers were middle aged as compared to young 11% and older 10%.

### **Education:**

The average year of schooling was 4.83 years. Most of the (59%) had primary level education. A little portion 3% could write their name only, they treated as Can sign only. 31% borrowers had secondary level education and 7% had above secondary level education.

### **Land tenure:**

The average land tenure was 0.55 ha. 27% were landless, 37% borrowers were marginal, 19% were small and only 17% borrowers were medium in land holding.

### **Annual Income:**

The average annual income was Tk.76, 650. 43% of the borrowers had low annual income, 35% had medium annual income and only 22% had high annual income.

### **Annual expenditure:**

The average annual expenditure was Tk.57, 980. 36% of the borrowers had small annual expenditure, 38% borrowers had medium and 26% borrowers had high annual expenditure.

### **Organizational Participation:**

The average organizational participation was 2.51. The highest proportion (52%) had low participation, while 40% had medium participation and only 8% had high participation.



**Attitude towards BRAC loan:**

The majority proportion (66%) of the borrowers had moderate favorable attitude towards BRAC loan, while 15% borrowers had slightly favorable attitude and 19% had highly favorable attitude towards BRAC loan.

**Relationship between selected characteristics of the borrowers and their loan repayment behavior:**

Age, education, family size and organization participation had no significant relationship with the loan repayment behavior of the borrowers. Land tenure, annual income, annual expenditure and attitude towards BRAC loan had significant relationship with their loan repayment behavior.

## **5.2 Conclusions**

Based on the findings of the study the following conclusions were drawn:

1. It was found that 26% of the female borrowers repaid their loan regularly. It means they don't missed a single installment to repay. 53% of the borrower was medium paid group that means they messed 1 to 4 installments to repay timely. Only 21% was irregular paid group that means they missed above 4 installments to repay timely.
2. Land tenure, annual income, annual expenditure and attitude towards BRAC loan had significant relationship with their loan repayment behavior.
3. The borrowers suffered from some problem in repaying loan to BRAC. The most serious problem faced by the borrowers was non-availability of money to repay loan in time. Second problem was the sudden hazards caused to natural calamities.

## **5.3 Recommendations**

### **Recommendation for policy implications**

1. Loan is an important input which supports other input to increase income. The study reveals that 26% of the female borrowers under study were regular 53% of the borrowers were medium in repaying their installments. Therefore, it is recommended that attempts should be made by the BRAC Authority to strengthen supervision of loan repayment for the medium repaid categories of borrowers.
2. It is recommendation that BRAC authority should continue their loan distribution programme with its loan policy. Side by side other loan giving institutions should under take such type of initiative for the borrowers.
3. Attitude towards BRAC loan of the respondent had significant positive relationship with their loan repayment. The loan repayment behavior was the high among the respondent having highly favorable attitude toward BRAC loan. Therefore, it is recommended that attempts should be made by the concerned authorities to popularize the loan disbursement programs of the BRAC among the rural women so that favorable attitude is retained in them.

### **Recommendation for further**

1. Relationships of eight characteristics of the female borrowers with their loan repayment behavior were studied in this piece of research work. Further research should be undertaken with a view to explore relationships of other untouched characteristics of the female borrowers with their loan repayment behavior.
2. Similar study should be conducted taking other leading NGO's of the country which provide loan to the poor (Such as ASA, proshika, Swanirvar, TMSS etc.). So that their relative performances can be measured and compared.
3. This study was conducted on the population of the female borrowers of Santhia branch of BRAC under Pabna district. Finding of this study needs to be verified by undertaking similar research in BRAC branches of other areas of the country.
4. Before introduction of BRAC and other loan giving organizations, the rural poor families frequently used to receive loan from the village money lenders at a higher rate of interest. At present they need not go to the money lenders. For this reason, further study needs to be undertaken in order to asses the present situation of the village in respect of money lending by the local money lenders.

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## APPENDIX A

**Matrix of inter-relationship among dependent variable and independent variables of the study**

	Age	Education	Family Size	Land Tenure	Annual Income	Annual Expenditure	Organizational Participation	Attitude towards BARC loan	Repayment
Age	1								
Education	-.30	1							
Family Size	.523*	-.043	1						
Land Tenure	.251*	.109	.135	1					
Annual Income	.089	.023	.091	.179	1				
Annual Expenditure	.150	.138	.273**	.483**	.362**	1			
Organizational Participation	- .129	.208*	-.059	.108	.050	.063	1		
Attitude towards BARC loan	.165	.112	.123	.362**	.327**	.395**	.106	1	
Repayment of loan	.143	.102	.149	.457**	.472**	.388**	.179	.498**	1

## APPENDIX B

### Interview Schedule

Department of Agricultural Extension and Information System

Sher-e-Bangla Agricultural University

Sher-e-Bangla Nagar, Dhaka-1207

Sample no.....

### LOAN REPAYMENT BEHAVIOR OF FEMALE –BORROWERS IN SANTHIA BRANCH OF BRAC UNDER PABNA DISTRICT

#### Interview schedule

Please answer the following questions (please tick mark wherever necessary)

Respondent's Name:

Father's/Husband's Name:

Village:

Union:

Thana:

District:

#### 1. (a) Age

..... Years

#### (b) Education Status

i) Can't read and write

ii) Can sign only

iii) Name last class attended .....

#### © Family Size

Male:

Female:

Total:



**(d) Land Tenure**

**Please indicate the area of land possessed and homestead area by your family**

<b>SL No</b>	<b>Type of holding</b>	<b>In decimal</b>	<b>ha</b>
a	Homestead area owned by the respondent		
b	Cultivated area owned by the respondent		
c	Cultivated area taken as borga		
d	Cultivated area given as borga		
e	Lease out/given		
f	Lease in/taken		
Lt	Total		

**(e) Annual income (in Tk) of your family of last 1 year**

<b>Sources</b>	<b>Annual gross income of last 1 year</b>		
	<b>Total amount</b>	<b>Unit price</b>	<b>Income</b>
<b>I.Agricultural Sources</b>			
Major crops			
i)			
ii)			
iii)			
Fruit crops			
Vegetable			
Forest trees			
Poultry			
Eggs			
Fish			
Milk			
Cow, Goat etc.			
<b>II.Non Agricultural Sources</b>			
Service			
Business			
Other			
<b>Total</b>			

**(f) Annual expenditure (in Tk) of your family of last 1 year**

<b>Item</b>	<b>Taka</b>
Food Expenditure	
Education Expenditure	
Clothing Expenditure	
Housing Expenditure	
Financial Expenditure	
Recreation Expenditure	
Religious Expenditure	
Other Expenditure	
Total Expenditure	

**(g) Organization Participation**

**Mention your participation in the following organizational activities with duration**

<b>Name of the Organization</b>	<b>Involved as</b>				<b>Duration</b>
	<b>Executive Officer</b>	<b>Executive member</b>	<b>General member</b>	<b>Not at all</b>	
Union Parishad					
Mohila somobay samity					
NGO					
School committee					
Other (Specify)					

**(h) Statements for measuring attitude of borrowers about BRAC loan**

SL No	Statements	SA	A	UD	DA	SDA
1	BRAC loan helps the poor in making their family well of					
2	BRAC loan makes a borrower indebted only					
3	BRAC loan does not play any role in increasing earning of family					
4	It is not necessary to repay loan regular					
5	As the women are becoming indebted due to BRAC, so its activity should be ceased					
6	It is better to receive loan from BRAC than village lenders					
7	It is always safe to repay the loan to the BRAC in time					
8	You usually fail to repay loan when you think is not important					
9	BRAC is a humanitarian organization, so it is not necessary to repay loan					
10	Repayment by the farmers at a crisis time considered by the BRAC officials					



## 2. How often you repaid your loan

Regularly	Frequently (Defaulter 1-2 installments)	Occasionally (Defaulter 3-4 installments)	Rarely (Defaulter 5-6 installments)	Not at all (Could not repay any installments)

## 3. Please state the problems you faced during repayment of loan

SL No	Problems	Nature of problems				
		Very much	Much	Some	Little	Not at all
1	Money to repay loan often not available					
2	Sudden hazardous caused due to natural calamities					
3	Sudden sickness and other problems of earning family members					
4	Various religious festivals and social occasions					
5	Less profit received from sales proceeds of production commodities					
6	Inability of using the loan properly					

Thank you for your Co-operation

Date: .....

\_\_\_\_\_  
Signature of interviewer