

ABSTRACT

The purpose of the study was determine the Problems Encountered by Microfinance Institutions in Capiz with the following objectives; 1). to find out the socio demographic profile of the respondents, 2). to determine the problems encountered by microfinance institutions in Capiz and 3.) to find out the results of the study.

This study selected 40 respondents which were the employees of the different microfinance institutions in Capiz, using the purposive sampling technique. A questionnaire was used in the conduct of the study for gathering the data from the respondents.

It was composed of two parts; first part called for the information of the socio demographic of the respondents such us; age, gender, civil status, educational attainment and name of microfinance institution in Capiz, part two; to determine the Problems Encountered by Microfinance Institution in Capiz.

Based on the results of the study majority of the respondents were female, single and obtained a college degree. Further results showed that all of the respondents “Agreed” to; 1. Diversion of microfinance fund 2. Once the loan disbursement is made; the money may be used to cover personal expenses, rather than intended business use, 5. Current systems for administering credit payments are designed for monthly or biweekly payments 6. Too much paper/documents requirements for lending application 7. Hard to collect the members/ clients payments 8. Not following the rules and regulation of the institutions 9. Change of render of members without the knowledge of the MFI’S collect, 15. Laziness of members to continued business and 16. Too much debt of members causing under payment or not paying at all.

Their responses verbally were interpreted as “Somewhat Agree” which is probably due to fact that respondents have no concern and has no in depth understanding that all these problems that could be caused by under payment or non-payment at all of the member. The data were analyzed statistically using the frequency count and percentage and mean. Frequency used in the analysis of the socio demographic profiles of the respondents, regarding on their Problems Encountered by Microfinance Institutions in Capiz.