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ASSESSING THE EXTENSION SERVICE NEEDS OF CREDIT OFFICERS OF MICROFINANCE BANKS IN ANAMBRA STATE: IMPLICATIONS FOR RURAL FINANCE INTERMEDIATION

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Abstract

The credit officers of Microfinance Banks (MFBs) are key players in rural finance intermediation for economic development. The paper assessed their extension service needs in Anambra State. Thirty-six (36) credit officers drawn from eleven (11) rural based MFBs in Anambra State were the respondents. Data was collected and analyzed using descriptive statistics of simple percentage, frequency table and mean. Three (3) hypotheses were tested with the use of Chi square (x^2). The findings of the study revealed that the credit officers are sufficiently knowledgeable about credit extension service delivery. However, they were found not involved in designing, and implementation of effective credit policies for their clients. Also, they are not adequately motivated to carry out their duties. Based on the findings, it was recommended that the board of directors and management of the MFBs should provide capacity building program for credit officers to improve and sustain their knowledge and skills, also they should improve their welfare especially, attractive and encouraging salary, incentives and insurance cover which are paramount to performance.

Keywords: Micro finance banks, rural finance intermediation, credit officers, credit extension service

1. INTRODUCTION

Credit is a critical factor in development of agriculture in the rural areas and small business in general. This is because it derives capital formation and technology upgrade (Adigwe, 2007). Micro Finance activity involves the direct making of small loans available and strengthening the capacity of credit officers who are duty bond to deliver credit at the rural level. Credit officers of MFBs are financial and education providers to farmers. Using the most effective and efficient operational strategy, this is to provide the link between sources of knowledge, information and financial benefit, inform of loan disbursement to the beneficiaries. The knowledge provided by the credit officers must be processed into forms useable and adaptable to appropriate local conditions (Umebali, 2004). Micro Finance Banks embark on various initiatives to strengthen their credit delivery structure at the local levels. Giving its credit officers the required personnel management

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with emphasis on manpower planning, training and development is key to their performance. The effect of the personnel management on credit officer of MFBs is because their duties require an active participation in training, decisions and program involving appropriate disbursement and use of credit by beneficiaries (Anyanwu, 1998).

The question is how and where does credit officer of Microfinance banks feature in rural credit administration? In answering this question, we should place credit officer of MFBs in its traditional position in-between the credit source and the credit user. Extension service needs of Micro finance banks play a supporting role in credit procurement, credit disbursement, and use of credit as well as repayment of credit. Umebali (2004) is of the view that credit officers of Micro finance banks have some vital role to play as an extension agents and these role include to help farmer identify and plan prospective viable projects; help farmers assess their credit worthiness and also assist beneficiaries to make profitable economic decisions; they create awareness campaigns to inform client about credit sources and conditions for obtaining credit; and, help to stimulate group action through their instructions on the principles and practices of group formations. Also, Anyanwu (1998) opined that credit officers play crucial extension role by informing farmers on the dynamics of group behaviors', theories and principles of group formation and the need for effective management of the group.

Therefore, in order to make credit attractive and more productive, the MFBs will begin the implementation of necessary capacity building programmes and motivational activities that will boost productivity and zeal of credit officers of MFBs so as to have passion and competence in effective service delivery as rural finance intermediations and as such improve the economic development of the rural areas as well as improve the livelihood of its populace.

Majority of credit officers of microfinance banks do really understand their roles but do not give members of rural communities the required information and basic services that will sustain their economic empowerment (Ahmed, 2008). And there are challenges faced by these rural dwellers especially farmers of which they require credit-assistance from micro finance banks through the intermediation of their credit officers who are employed to bring change through appropriate dissemination of required information relevant to the beneficiaries clients, for efficient productivity. The fact is that Micro finance banks are agents of rural development, through their credit officers, by assisting rural dwellers who are trapped in poverty and isolated with low per capita income. But in the view of Anyanwu (1998), the failure of credit officers of Micro finance banks to exercise effective service delivery to its clients has caused a negative down-turn in the rural economy which also made negative impact on the financing of rural economy especially rural populace whose majority of are farmers and other rural small scale enterprises. So in order to effectively actualize the sustenance of increase in per capita income, which is associated with concomitant structural changes in the socio-economic sphere of the rural people, credit officers of MFBs must undergo proper extension training and possess the basic skills required for effective service delivery to the rural dwellers.

There are numerous constraints that are hindering effective lending by MFBs through their credit officers. Therefore, assessing the extension service needs of credit officers of MFBs is very crucial to advancing their effective intermediation in rural finance an as such, the call for the study.

This study tried to assess the extension service needs of credit officers of MFBs in Anambra State of Nigeria in which the implication will serve for rural finance intermediation. Specifically, the objectives are to:

- Examine the extent which the credit officers are knowledgeable about credit extension services of MFBs.
- assess credit officers level of involvement in the credit extension services of MFBs

- examine MFBs programmes meant to enhance credit officers performance
- Identify constraints to effective credit officers' performance in MFBs, and make recommendations based on findings.

1.1. Hypothesis of the study

H_{01}: Credit officers are not significantly knowledgeable about extension services of MFBs

H_{02}: Credit officers of MFBs are not involved in the credit extension service delivery to clients.

H_{03}: Credit officers of MFBs do not significantly have the support of their organization for effective extension service delivery.

1.2. Micro finance in Nigeria

Micro Finance in Nigeria, though on informal setting is as old as the nation itself. Though the informal system is a rural unregulated and unofficial financial arrangement, it has highly respected modus operandi by which individual or groups relate in their various capacities as debtors and creditors outside the regimented and regulated markets. The informal financial market is classified into institutional and non-institutional markets.

The evolution of banking system in Nigeria can be traced to 1890 when the monetization of the Nigerian economy was growing side by side with barter trading. During this period, the use of cash had grown sufficiently throughout West Africa. Modern banking in Nigeria dates back to 1892 with the establishment of the African banking Corporation in Lagos. Despite having a vibrant financial sector, accessibility to finance has been the main challenge facing economic agents particularly those at the bottom of the pyramid.

Medium and small enterprise form the main crust of every economy contributing about 70% of GDP and employing well over 75% of the population both in the rural and urban centers (Adeyemi, 2008). This general trend has not been true for Nigeria where the financial sector had shown a preference for large multi-nationals and big trading companies to the detriment of other sectors in the economy thereby making access to credit for input purchase (fertilizer, seed and labour), processing and trade a key constraint to improved economic performance in the rural sector (Adekanye, 1998).

In the non-institutional markets, the activities of savings and acquisition of credits are done by individuals on their own or through person to person arrangement. The market includes self-financing, financing by relations, friends and well wishers, professional money lenders, jack pot, raffle and fool winnings and trust system of credit transactions. Institutional market on the other hand refers to any organizational or institutional arrangement that aim at mobilizing savings and credits found in this market such as the Rotating Savings and Credit Associations (ROSCAS), Thrift Associations, savings mobilization groups (which are traditionally called Esusu, Bam Bam, Ajo and Adashi) by different communities, daily savings or contribution organizations, cooperative societies, religions organization, social clubs and village credit irrespective of the meager amount it generates remains the major source of finance for the poor who see the formal financial institution as being too bureaucratic, costly and cumbersome (Beko, 1991).

The government of Nigeria has identified Micro Finance as an effective tool for promoting better access of the poor, low income population and vulnerable groups, to financial and social services and broad based and strong economic growth. Micro finance enables poor people to expand their businesses, increase their revenues, and created employment. The government of Nigeria has also made several efforts to redressing the inadequate supply or financial services to the poor. In 1936, government in support of the Cooperative promulgated the cooperative society's ordinance. This made the cooperative have regular/compulsory savings as one of their goals. While thrift and credit societies combined regular savings of members with lending. The commercial bill financing scheme in 1962 and the Regional Commodity Boards (later called National Commodity Boards in 1977) were among the efforts made by government to improve the poor access to lending (Aja, 1998).

The Nigerian Agricultural and Cooperative Bank (NACB) were established in 1972 to act as development finance institution extending to both small and large scale farmers. A similar institution, the Agricultural Credit Guarantee Scheme Fund (ACESF) was established in 978 for the purpose of agricultural risk reduction. The bank guarantees up to 75% of the principle in case of default due to natural events beyond the control of the farmers. Others are the rural banking system of 1977, where banks were required to establish a specified number of branches in identified rural areas. Export financing Rediscount facility in 1987 measured rural credit markets including the sect oral allocation of credit, specified percentage of total deposits mobilized in the rural areas to be lent to borrowers in such areas, concessional interest and grace periods on agricultural loans. However, some of these measures were abolished with the introduction of liberal economic policies in 1989 (Ahmed, 2008).

The peoples banks established in 1989 for the same purpose, was charged with the responsibility of taking deposit and lending to the poor. There was also licensing of community banks in the 1990s for the provision of non-sophisticated loans to the community. Community banks metamorphosed into the recent micro finance bank in 2007. Some of these efforts were frustrated by lack of managerial where withal, lack of supervision, mishandling of credit facilities, bribery and corruption (CBN, 2011).

This Nigerian banking industry which is regulated by the Central Bank of Nigeria is made up of deposit money banks, development finance institution and other financial institutions which include Micro Finance Banks, Finance Companies, Bureau De Changes, Discount Houses and Primary Mortgage Institutions. As at December 2010, the banking industry included twenty four deposit money banks, five discount houses, five development finance institutions, one thousand five hundred and ninety-eight Bureau De Change, one hundred and seven finance companies and eight hundred and sixty-six micro finance banks (CBN, 1995).

To put micro finance in proper perspective, the Nigerian Government Launched the micro finance policy, regulating and supervisory frame work for Nigeria on 15th December, 2005. The policy as stated by CBN (2011), seeks to achieve the following targets:

- Cover the majority of the poor but economically active population by 2020.
- Increase the share of micro credit as a percentage of total credit to the economy from 0.9 percent in 2005 to as at least 20 percent in 2020.
- Increase the share of micro credit as a percentage of GDP from 0.2 percent in 2005 to at least 5 percent in 2020.
- Promote the participation of at least two-thirds of state and local governments in micro credit financing by 2015.
- Improve women's access to financial services by 5% annually; and,
- Increase the number of linkages among universal banks, development banks, specialized finance institutions and microfinance banks by 10% annually.

1.3. Practice of credit administration in financial institutions

Credit Administration in financial institutions could be explained as a comprehensive arrangement for funding, financing, or providing the needed facilities on deferred payment basis for the support and promotion of a particular programme and the economy (Agene, 1995).

Usually such a measure is intended to fill a missing gap that could hinder a planned course of action geared towards achieving definite goals in agro-industrial, marketing, housing and other sectors of the economy.

The purpose of a financial institutions or organization is to make credit facilities available to members of the society at a reasonable cost or interest rate. A great deal of effort is required on the part of the policy makers of financial institutions in their credit administration and processing to the needy citizens of the country (Agene, 1995).

Financial institutions give credit inform of loans either in the form of an overdraft or a full loan. An overdraft is a facility to draw cheque over and above the amount shown in credit on a customers' current account. By this method the financial institutions does not know exactly how much it will be asked to lend but it usually puts an upper limit on the overdraft facility in the interest of the financial institutions and the customer. When a customer takes his account into overdraft without first having secured the financial institution permission, the customer is acting illegally and the financial institution is not aware of its commitment until a formal agreement is reached. In the case of commercial banks, for a customer to enjoy this facility, he must be operating a current account with his bank (Okaro and Onyekwelu, 2003). When a loan is arranged the bank adds the amount to the customers' current account and opens up a loan account in the name of the customers with the balance in debit.

When considering whether to lend money to a customer the financial institution managers base their decisions on principles which have evolved over the years. Basically, the manager is lending to the proposition. This is the proposal the customer brings to the manager in order to secure loan. This is not just the use to which the money will be put. The manager goes through the proposal and then using these principles and his experience decides whether or not to grant the loan. He does not apply these principles strictly at all times but has the power to grant a loan even if it is seen as an extremely high risk. It may be that, he or she wishes to foster a very useful connection.

This is where the art of lending comes in; for he needs to be able to know just when to accept a risk with the hope that it will end up profitable for all concerned. However, in nature of credit administration, more often than not financial institutions managers are very careful about lending, so that generally only reasonable safe and secure prepositions are accepted.

2. METHODOLOGY

The type of research design adopted for this study was survey research design which involves collecting and analyzing of data so as to achieve the objectives of the study. The study area is Anambra State which has 21 Local Government Areas, with 3 senatorial seats, but among all, 3 Local Government Areas were choose for the purpose of this study and they are Ihiala, Aniocha and Anambra East Local Government Areas representing respectively the three senatorial zones in Anambra State. These Local Government Areas comprises of typical rural communities in which their main economic activities are basically agricultural production, craft making and other small scale enterprises that are part of informal sector.

The population of the study consists of eleven (11) licensed and functional micro finance banks in the LGAs. All together, these MFBs have 86 credit officers of which simple random sampling method was used to determine the sample size. Four (4) credit officers each were randomly selected from the 11 MFBs, thereby making the sample size 44 credit officers. Data were collected with the use of structured questionnaires and then analyzed with the descriptive statistics. The hypotheses formed were subjected to chi square (x^2) test.

It is important to note that out of 44 questionnaires administered only 36 questionnaire was duly filled and returned.

3. RESULTS AND DISCUSSION

3.1. Credit officer knowledge about credit extension services

Table 1: Responses of credit officers of MFBs on knowledge about their extension service needs

S/N	Credit extension services	FX	Mean (x̄)	Decision
a	Design and preparation of MFBs credit policy	144	4.0	Knowledgeable
b	collection, compilation and analysis of client data	132	3.67	Knowledgeable
c	Engage in appropriate working out viability of credit needs of MFB clients	141	3.9	Knowledgeable
d	Preparation of credit recovery schedule of loanees	153	4.25	Knowledgeable
e	Submission of proposal for review of MFB credit policy	115	3.2	Knowledgeable
f	Identification and relationship with good individual and group	140	3.89	Knowledgeable
g	Training and development of credit clients	147	4.08	Knowledgeable
h	Formation of credit groups for linkages with MFB	120	3.33	Knowledgeable
i	Collaboration with government, and other development partners	116	3.22	Knowledgeable
1	Research and financial product development	113	3.14	Knowledgeable
j	Inculcation of savings habits and mobilization from clients	155	4.31	Knowledgeable
k	Promotion and provision of micro-leasing services to clients	129	3.58	Knowledgeable
l	Promotion and provision of micro insurance services	94	2.61	Not Knowledgeable
m	Promotion and provision of micro housing services	103	2.86	Not knowledgeable
n	Social mobilization and community development	110	3.06	knowledgeable
o	Clients training on entrepreneurship and financial management	121	3.36	Knowledgeable
p	Provision of business information and market linkages	124	3.44	Knowledgeable
q	Clients advice on health and family nutrition	114	3.17	Knowledgeable
r	Clients training on basic accounting principles	108	3.0	Knowledgeable
s	Importance of IT and its application in credit administration	151	4.19	Knowledgeable
t	Clients training on leadership	116	3.22	Knowledgeable
	Grand mean	73.48	3.49	Knowledgeable

Source: Field survey July, 2012

The use of 5 point likert scale was applied to measure knowledge ability of the credit officers in which 3.0 mean (x) was adopted so as to reject (<.3.0) or accept (≥ 3.0) if really credit officers are knowledgeable. Based on the result, most of the extension services needs of the MFBs they agreed to be adequately knowledgeable about. However in promotion and provision of micro insurance services (2.61), and, provision of micro housing services (2.86) that they were found not knowledgeable. With a grand mean of 3.49 it meant that credit officers are knowledgeable on almost credit extension service needs of the MFBs.

3.2. Test of hypothesis one

In order to validate or disapprove the result of the table 2 the hypothesis one (H_{01}) was subjected to test with X^2.

H_{01}: Credit officers of MFBs are not significantly knowledgeable about the credit extension services of MFBs.

H_{A1}: Credit officers of MFBs are sufficiently knowledgeable about the credit extension services of MFBs.

Table 2: Test statistics result summary of X^2

Df	Calculated X^2 value	Sig
19	1.636	0.000

3.3. Decision

From the result, the X^2 calculated value is 1.636, while the P- value is .000 at 5% level of significance. Therefore, the P- value is significant since it's less than the conventional value of 0.05. As such, null hypothesis (H_{01}) was rejected and the alternate (H_A) was accepted; this implied that credit officers of MFBs are knowledgeable about the credit extension services of MFBs.

The result of hypothesis one (H_{01}) and descriptive statistics analysis of table 2, affirmed and validated that the credit officers are knowledgeable about the credit extension services of MFBs. Thus, this implied that they have great potentials for effective rural finance intermediation.

3.4. Credit officers involvement in credit extension services delivery

Table 3: Responses of credit officers on their level of involvement actual delivery of credit extension services of MFBs

S/N	Variables	FX	Mean ($\bar{x}$)	Decision
i	Design and preparation of effective credit policy for clients	106	2.94	Not involved
ii	Collection, compilation and analysis of socio-economic data of ruralites business environment	108	3.0	Involved
iii	Assess credit needs of the clients	111	3.08	Involved
iv	Credit schedule of clients	132	3.67	Involved
v	Review of MFB credit policy for clients	100	2.78	Not involved
vi	Formation of credit groups (e.g. cooperatives)	113	3.14	Involved
vii	Technological diffusion of clients and farmers group	110	3.06	Involved
viii	Collaboration for effective credit delivery to clients	102	2.83	Not involved
ix	Research and development	94	2.6	Not involved
x	Inculcating saving habits and credit mobilization among clients	157	4.36	Involved
xi	Credit creation, disbursement and income generation for MFB	137	3.81	Involved
xii	Promotion and provision of other micro finance services	109	3.03	Involved
xiii	Community development services	89	2.47	Not involved
	Grand Mean	40.77	3.14	Involved

Source: Field survey July 2012

The result (table 3) showed that most of the credit extension services score more than 3.0 mean rating at 5 point scale (> 3.0) and this implied that credit officers are functionally involved. The services include collection and analysis of socioeconomic data of clients (3.0); assess credit need of the client (3.08); credit schedule of clients (3.67); formation of credit groups (3.14); technological diffusion to client especially farmer groups (3.06); inculcating savings habits and credit mobilization among clients (4.36); credit creation and disbursement for MFBs (3.81); provision of other micro finance services (3.03). However, they were found not involved in some credit extension services such as design and preparation of effective credit policy for clients (2.74); review of MFBs credit policies (2.78); research and development (2.6). Therefore, with grand mean of 3.14, the result showed that the credit officers are functionally involved in credit extension services delivery.

3.5. Test of hypothesis two

Hypothesis (H_{02}) was formed in order to affirm or not the result of the descriptive statistics (Table 3).

H_{02}: Credit officers of MFBs are not significantly involved in credit extension services delivery to their clients.

H_{A2}: Credit officers of MFBs are significantly involved in credit extension services delivery to their clients.

Table 4: Test statistics result summary of X^2

	Df	Calculated X^2 value	Sig
Model	12	0.000	1.000

3.6. Decision

Since the calculated value of X^2 (.000) is less than the table value (1.000) at 5% level of significance, therefore, the null hypothesis (H_{02}) was accepted and the alternate (H_{A2}) was rejected, meaning that credit officers of MFBs to a significant level are not involved in credit extension services delivery to their clients. The grand mean (3.14) result of the descriptive statistics (Table 3) was contrary to the outcome of the hypothesis. The implication is that the Credit Officers may not have been very involved in credit extension service delivery to their clients.

3.7. Institutional (MFBs) support for credit extension service

Table 5: Responses of credit officers on how supportive MFBs are in their delivery of extension services to bank clients

S/N	Facilitation activities of MFBs	FX	Mean ($\bar{x}$)	Decision
a	Regular capacity building programmes	152	4.22	Supportive
b	Provision of logistic (bikes, vehicle or allowance) for field work	133	3.69	Supportive
c	Provision of incentives for staff motivation	99	2.75	Not supportive
d	Provision of modern IT technology and facilities	154	4.28	Supportive
e	Adequate numbers of staff for effective outreach	130	3.61	Supportive
f	Provision of funds to meet clients needs	133	3.69	Supportive
g	Assistance from BODs and management team	145	4.03	Supportive
h	Necessary information and networking opportunities	143	3.97	Supportive
i	Provision of marketing materials (fliers, handbills, posters)	129	3.58	Supportive
j	Product or services development activities (research linking)	109	3.03	Supportive
k	Promotional programs (customer forum, road work)	86	2.39	Not supportive

l	Advertisement (printing press, radio, TV and local advert)	74	2.06	Not supportive
m	A good living salary /remuneration	81	2.25	Not supportive
	Grand Mean	47.69	3.41	Supportive

Source: Field survey July, 2012

The result showed that the institutions (MFBs) provided a lot of support to facilitate credit extension services which include capacity building programmes (4.22); adequate logistic (3.69), I.T facilities (4.28); adequate number of staff (3.69); BOD and management assistance (4.03); information and networking (3.97); marketing materials (3.58); product/services development (3.03). In summary, the grand mean is (3.41) which indicated that the MFBs have been supportive to the Credit Officers' extension services delivery. Meanwhile, there are some aspects where the institutions (MFBs) have not been supportive to the credit officers and these score below (< 3.0) mean rating. These include; incentives and motivation (2.75); promotional programmes (2.39); advertisement (2.06); and a good living salary (2.25).

3.8. Test of hypothesis (H_{03})

Hypothesis (H_{03}) was subjected to test with X^2 so as to affirm the result of descriptive (Table 5).

H_{03}: Credit Officers of MFBs do not have significant support of their organization for effective extension service delivery.

H_{A3}: Credit Officers of MFBs do have significant support of their organization for effective extension service delivery.

Table 6: Test Statistics Result Summary of X^2

	Df	Calculated X^2 value	Sig
Model	12	0.857	1.000

3.9. Decision

In the above test statistics summary, the calculated x^2 value (.857) is less than the table value (1.000) at 0.05 level of significance. Therefore, the null hypothesis (H_{03}) is accepted while the alternate (H_{A3}) is rejected. The implication is that the Credit Officers of MFBs do not have significant support from their organization for effective credit service delivery in rural finance intermediation. Comparing the result to the descriptive analysis (Table 4) which has grand mean of 3.41 indicating that the banks support, we conclude that though there might be support from the MFBs, but, perhaps not strong enough.

3.10. Challenges of carrying out credit extension services

Table 7: Responses of the credit officers on the challenges of carrying out credit extension services

S/N	Challenges	FX	Mean ($\bar{x}$)	Decision
a	Unavailability of effective credit policy	153	4.25	Agree
b	Unavailability of socio economic baseline data	114	3.17	Agree
c	Delinquency cases such as loan default	136	3.7	Agree
d	Lack of fund to meet credit needs of clients	86	2.39	Disagree
e	Poor/lack of support from BODs	99	2.65	Disagree
f	Non availability of collateral for lending	149	4.14	Disagree
g	Lack of assistance from MFBs management	81	2.25	Disagree
h	Poor knowledge/training in dealing with clients	120	3.33	Agree
i	Inadequate staff to effectively mobilize and monitor clients	111	3.08	Agree

j	Weak savings mobilization and loan recovery method	106	2.94	Disagree
k	Inadequate logistics/infrastructure to meet need of clients	122	3.38	Agree
l	Poor remuneration and motivation of staff	199	3.30	Agree
	Grand Mean	38.58	3.22	Agree

Source: Field survey July, 2012

The result obtained from 5 point likert scale with mean of 3.0 which means that any response that score below 3.0 of the mean is negative (disagree) while any response that is above (>) 3.0 mean rating is positive (agree). Therefore, the respondents (credit officers) agree to the most of the challenges that constraints their credit extension service delivery and these include, unavailability of effective credit policy (4.25), loan default (3.7), non-provision of collateral for lending (4.14); logistic problem (3.38), as well as poor salary package (3.30). Meanwhile, the respondents disagree to some of the challenges since that does not constraints their extension service delivery in rural finance intermediation. These include; lack of fund to meet clients' needs (2.39), lack of support/assistance from BODs (2.65) as well as weak savings mobilization and loan recovery method (2.94).

So in order to strengthening credit officers in effective credit extension service for rural finance intermediation all the aforementioned challenges need to be addressed.

4. CONCLUSION AND IMPLICATIONS FOR RURAL FINANCE INTERMEDIATION

Rural finance intermediation is vital to achieving rural development and Credit Officers of MFBs have a role of effectively delivering microcredit and its support services (extension) to the bank clients. The outcome of this study has shown that the credit officers have adequate knowledge of the extension services obligations of their banks to clients. Equally, they have been found to be involved, though not significantly high in delivering extension services. The study did also find out that though the credit officers are supported by their banks to execute their services, but that it was not significantly adequate.

In a bid to strengthen credit officers of MFBs for effective rural finance intermediation through credit extension service delivery, the following recommendations are made:

- Capacity building programmes for credit officers should part and parcel of MFBs support activities so as to improve and sustain credit officers' knowledge and skills on credit extension services for effective rural finance intermediation.
- Credit officers should be more involved in the design, reviewing and implementation of credit policies, because they transact directly with the clients and therefore exposed to their needs.
- For MFBs to achieve result, the institutions should not only provide materials needed for the extension services, but in addition improve on their welfare. Therefore, incentives such as attractive salary; timely allowances; insurance covers; training and logistics are motivational factors that will bring out their best in rural finance intermediation.
- MFBs should also directly carryout a socio-economic baseline data of their catchment-Area (Business environment) if they have the skill to do so or in the alternative use professionals (consultants). Such information (Data) if derived will facilitate their detailed knowledge of their clients, their economic activities which is need for strategic planning.
- Microfinance banking is indeed mostly a field activity in-view of the nature of their clients. Therefore, they should have adequate credit officers to effectively cover, monitor, develop and ensure effective loan repayment.

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