

BIBLIOGRAPHY

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ABSTRACT

The study was conducted mainly to determine the practices and perceptions of the member-borrowers of BABUDEMPCO towards loan borrowing and repayment. The study was conducted from January to February 2007.

The total numbers of respondents in the study were one hundred member-borrowers of BABUDEMPCO.

It was found out that most of the respondents are farmers, thus, an agricultural loan is the most type of loan availed loan by the member-borrowers.

As to the practices of member-borrowers towards loan borrowing, most of the respondents were able to prepare project proposals, consulted their family members when they borrowed from the cooperative, personally read and understood all the details in the loans agreement, explained what responsibilities of their co-makers are. Most of the loans of the respondents were actually used to the purpose intended for. On loan repayment, most respondents preferred to ask the cooperative to restructure their loans if they could not settle their loan on time. Most respondents responded to the reminders or notice

letters coming from the cooperative promptly. As to their payments, most respondents brought them personally to the cooperative.

On the other hand, as to the perceptions of member-borrowers towards loan borrowing and repayment, the respondents mentioned that borrowing from the cooperative is a way of patronizing its services being offered. They also give positive remarks to the staff. The respondents were satisfied with the services rendered by the staff. The time consumed by the cooperative in processing the loan is perceived by most of the respondents as just enough.

The problems mostly encountered by the respondents affecting their loan repayment are low prices of their produce and they live far from the cooperative that they have a hard time going to the cooperative.

The respondents recommend that the cooperative must conduct regular information dissemination for their loan policies, continuous education of the member-borrowers on their duties and responsibilities; a regular monitoring on the project of the member-borrowers, officers and staff should always be good models by paying their loans on time also, there must be rewards or incentives given to member-borrowers who pay their loans in advance and the staff should undergo trainings on loan processing and effective collection.

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INTRODUCTION

Rationale

A cooperative is primarily organized to provide the necessary common needs of its members that improve and uplift their living condition within the context of the universally accepted cooperative principles of membership, democratic administration, equitable contribution, savings disposal, education and inert cooperative cooperation (Mendoza, 1980). It is also a way of easing financial inadequacy of its members through loans with minimal rates for provident and productive purposes.

Most farmers who need funds for their production organize cooperatives. In 1967, there was a group of 35 people in Buguias, Benguet who pooled their resources to establish a Credit Union. It was named as Bad-ayan Credit Union. On July 10, 1968, it was registered with the Cooperative Administration Office (CAO) with a Certificate of Registration No. 001964 under the Republic Act No. 2023. However, the association became dormant for a period of five years.

On October 1971, the association was re-organized wherein a series of membership seminars was conducted to refresh the old members regarding the importance of credit union. On May 10, 1976, the credit union was registered as a pre-cooperative under the Bureau of Cooperative and Development thereby mandated to elect its set of Board of Directors and committee members. It adopted the name Bad-ayan Credit Cooperative Union, Inc. The cooperative operated fruitfully thus, they were able to acquire land and built an office for the Cooperative Union in 1982.



On May 22, 1989, the Bad-ayan Credit Union Inc. was renamed as Bad-ayan Buguias Development Cooperative, Inc. with Registration No. CAR ff-009 under the Office of Bureau of Agricultural Cooperative Development. Finally, on October 18, 1994, the cooperative amended its name to Bad-ayan Buguias Development Cooperative (BABUDEMPCO) that becomes its name until the present. The said amendment was done in response to the memorandum from the CDA calling cooperatives registered under the RA 6938 to drop the word incorporated.

Just like other cooperatives, BABUDEMPCO has experienced difficulties in its operation that nearly lead to its bankruptcy. Like in 1990 during the killer Earthquake, their members' products were destroyed that resulted to the decline of their income. With this, the members were not able to repay their loans to the cooperative and there were no deposits generated from the members. Nevertheless, because of the financial assistance from some local and international institutions, the cooperative was able to stand with its feet again and it continued to grow until now.

At present, the cooperative has a total membership of 3, 997 composed of 1,628 regular members and 2,369 associate members. It operates in the whole municipality of Buguias, Benguet. Credit is one of its services and like many credit cooperatives organized in the country, BADUDEMPCO has been experiencing problems on its lending operation. In fact, it was not able to establish a satisfactory track record in its lending operation. As of July 2006, about 1,029 member-borrowers availed of loans from the cooperative.

The member-borrowers have a vital role in making the credit operation of the cooperative a success. If members used their loans in a proper way, then they could be



able to pay their loans on time to the cooperative. This only means that one of the main factors to look on is the member-borrower's practices and perceptions regarding borrowing and repayment of his loans. This is what the study intended to determine.

Statement of the Problem

Specifically, the study was conducted to find the answers to the following questions:

1. What are the types of loan being offered by the cooperative that are mostly availed of by the member-borrowers?
2. What are the practices of member-borrowers towards loan borrowing and repayment?
3. What are the perceptions of member – borrowers towards loan borrowing and repayment?
4. What are the problems encountered by the member-borrowers that affect their performance in loan repayment?
5. What are the solutions to the problems identified?

Objectives of the Study

The objectives of the study are as follows:

1. To determine the types of loans being offered by the cooperative that are mostly availed of by the member-borrowers;
2. To determine the practices of member-borrowers towards loan borrowing and repayment;



3. To determine the perceptions of member-borrowers towards loan borrowing and repayment;
4. To find out the problems of the member-borrowers that affect their performance in paying their loans to the cooperative; and
5. To recommend possible solutions to the problems identified.

Importance of the Study

The results of this study could be used by the cooperative as a basis in formulating and strengthening the implementation of its loan policies.

Moreover, the results of the study could be used as a guide for the cooperative in planning and conducting the necessary activities or programs that would improve the attitudes and perceptions of the member-borrowers towards borrowing and repaying their loans which could generally improve their performance in the cooperative.

Students or any researcher planning to conduct related studies could use the results of this study.

Scope and Limitation of the Study

This study mainly concentrates on determining the practices and perceptions of the member-borrowers of Bad-ayan Buguias Development Multipurpose Cooperative towards borrowing and repayment of their loans and the problems affecting the member-borrowers' performance in paying their loans. The study was conducted from January to February 2007.



REVIEW OF LITERATURE

Loan Practices of Borrowers that Led to Loan Delinquency

Taganas (1979) found out that the failure of farmers to pay loans on time at maturity was caused by diversion of loan to non-farm activities. This was due to late release of the loan which motivated them to divert it to purpose other than the intended purpose. As a result, nothing was used on the intended purpose. This further resulted to the extent of selling their house, lands just to augment the amount needed for land preparation and other expenditures. Others sold their houses to pay their debts when the collateral used was forfeited.

Practices that can Contribute to Cooperative Success

Fajardo and Abella (1990) mentioned several factors that have been contributing to the success of cooperatives in the past. The following factors were as abed on a survey of successful cooperatives in the country: 1) continuous training and education of the officers, members and employees, 2) Appropriate and adequate organizational structures to cope with the varying and increasing needs and problems of the cooperative members and the community, 3) Progressive and people-oriented on loan savings, education, management and community development, 4) Presence of effective, honest and dedicated cooperative and community leaders, 5) Active involvement and participation of officers and members in the affairs of their cooperatives and the community, 6) Trust and confidence in cooperative officers, 7) Dependence on self-help process in achieving their



programs and projects, 8) Wise election of cooperative officers, 9) Spirit of cooperation and camaraderie prevails among the officers, members and employees of the cooperative, 10) Efficient service for the promotion of social and economic advancement of cooperative members, good public relation and 11) availability of competent and honest managers.

Perceptions

In psychology and the cognitive science, perception is the process of acquiring, interpreting, selecting, and organizing sensory information.

Taylor (1970) found out that one's perception is of a certain thing that determines the overt behavior exhibited under a given condition. Perception is the process of becoming aware of objects, qualities, relation or problems by way of the sense organ which is closely related to actions. He concluded also that an individual's perception affects his behavior and how he perceives a situation.

Loans

For many years, cooperative has been always there to help. It's just absolutely impossible to think how men survived through ages if they did not help one another. History books now tell us that cooperativism has been a practice since before. But today's modern world, there was a great improvement in cooperative operation. One great improvement is loan assistance to members.

Simple definition of loan is the act of lending and/or lending with an interest. A member loans out money for many purposes such as production purposes, for buying



facilities and equipment needed in the farm, or family expenses during the period between planting and harvesting of crops for farm improvement and for other purposes (World Book Encyclopedia, 2004).

Inability to Repay

According to Sacay (1985), sheer poverty seemed to be the primary root cause of delinquency. The common rural folks had become heavily indebted because they needed credit to cover up their chronic cash deficit and sustain their subsistence level of expenditures.

Block and Hirt (1987) also stated that people with low level of formal education would inherently be a poor credit risk. The TBAK observation shows the importance of providing for a sustained education campaign to ensure that member-borrowers are sufficiently informed on the ways and practices of the cooperative especially with respect to credit and obligation to pay back their loan.

Problems in the Collection of Loans

Delinquent loans in cooperatives are due to circumstances which if not properly managed will result to tremendous financial set back and loss of confidence of member-borrowers in the cooperative's lending services.

Macaranas (1994) stated that loan delinquency has always been a big problem among cooperatives and the failure to recognize this problem and institute the necessary remedy led to the demoralization of both members and officers and ultimately to the failure of the cooperative.



Definition of Terms

Perceptions. The process of becoming aware of objects, qualities, relations or problems by way of the sense organ that is closely related to actions.

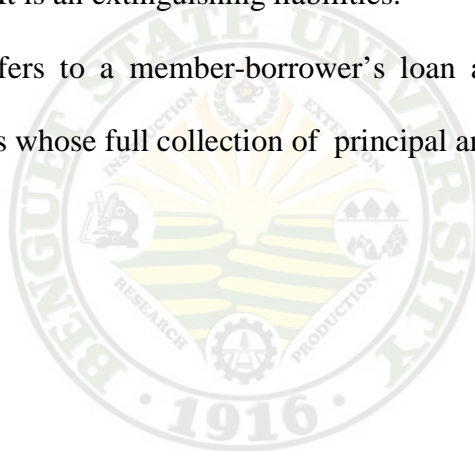
Credit. It refers to the engine of socio-economic upliftment of big and small entrepreneurs of the rural poor.

Loan. An amount of money given to somebody on the condition that it will be paid back later.

Capacity. Refers to borrower's ability to pay back the sum borrowed based on his or her earning capacity.

Loan repayment. It is an extinguishing liabilities.

Delinquent. It refers to a member-borrower's loan accounts have experienced difficulties whose full collection of principal and interest are doubtful.



METHODOLOGY

Locale and Time of the Study

The study was conducted at Bad-ayan Buguias Development Multi-Purpose Cooperative located at Buguias, Benguet, which is widely known as one of the major producers of high yielding vegetable varieties in the province. Figure 1 shows the locale of the study. The study was conducted from January to February, 2007.

Respondents of the Study

The respondents of the study were the member-borrowers of Bad-ayan Buguias Development Multi-purpose Cooperative with loans that are classified as current accounts. One hundred respondents were randomly chosen from the list of borrowers provided by the cooperative.

Data Collection

A survey questionnaire was used as the instrument in gathering the information and data needed in the study. An interview was also done with the manager of the cooperative and some of the respondents for additional information.

Data Gathered

The data gathered were the practices and perceptions of the member-borrowers of Bad-ayan Buguias Development Multipurpose Cooperative towards loan borrowing and repayment.



Data Analysis

The data was tabulated, analyzed and interpreted according to the objectives of this study using the descriptive statistics like frequency and percentage methods.



RESULTS AND DISCUSSION

Brief Information on the Respondents

Table 1 presents the occupation, number of loan and total loans availed of by the respondents from the cooperative.

Occupation. Sixty-two of the respondents are farmers, 12 respondents are working in government offices, seven are employees of the cooperative, and 10 respondents are laborers. A Few of the respondents are businesspersons and housekeepers. The results show that most of the respondents are involved in farming.

Types of loan mostly availed of by the respondents. The cooperative offers the following types of loan: agricultural loan, emergency loan, educational loan, salary loan, commercial loan and industrial loan. As shown in Table 1, 84% of the respondents availed of the agricultural loan while a few (27%) of the respondents availed of the emergency loan. Only very few of the respondents availed of the other types of loans.

The results show that agricultural loan is usually availed of by most of the respondents for the reason that most of the respondents are farmers. Agricultural loan is for procurement of farm inputs, improvement of farms, marketing of farm products and others.

Number of times the respondents have availed of loans. Fifty percent of the respondents had already availed of loans more than thrice from the cooperative; 26%, twice; 17 respondents, first time to borrow from the cooperative and seven respondents, third time to borrow from the cooperative.



The result implies that most of the respondents established a long credit relationship with the cooperative. This also means that most of the respondents performed well in their payments thus the cooperative was able to give them another loan after satisfying their previous loan.

Table 1. Occupation, types of loans mostly availed of by the member-borrowers and number of times the member-borrowers availed of loans in the cooperative

PARTICULAR	FREQUENCY	PERCENTAGE (%)
Occupation		
Farmers	62	62
Cooperative Employees	7	7
Government Employees	12	12
Businessmen	3	3
Laborers	10	2
Housekeepers	6	6
TOTAL	100	100
Types of loans availed of by the member-borrowers		
Agricultural Loan	84	84
Emergency Loan	27	27
Educational Loan	7	7
Salary Loan	6	6
Commercial Loan	4	4



Table 1... continuation

PARTICULAR	FREQUENCY	PERCENTAGE (%)
Industrial Loan	3	3
TOTAL	131	
Number of times the respondents have availed of loans in the cooperative		
Once	17	17
Twice	26	26
Thrice	7	7
More than thrice	50	50
TOTAL	100	100

Practices of the Member-Borrowers in Borrowing Loans in the Cooperative

Number of respondents who prepare project proposal. Project proposal is prepared to determine the various activities to be done in carrying out the project and generally, to determine the feasibility of the project to be undertaken.

Table 2 presents that most (77%) of the respondents prepared project proposal before borrowing from the cooperative. The remaining 23% of the respondents did not prepare project proposal because of lack of knowledge to do it. According to them, the project proposal was not also a compulsory requirement for availing of loans from the cooperative. The result shows that a great majority of the respondents planned carefully where they would invest their loans. Therefore, when their loan is released they know already where to spend and how to spend it.



Table 2. Response of the respondents as to whether they prepare project proposal

RESPONSE	FREQUENCY	PERCENTAGE (%)
Prepared project proposal	77	77
Did not prepare project proposal	23	23
TOTAL	100	100

Number of respondents consulting their family members when borrowing. Table 3 shows that 91% of the respondents have consulted their family members before they borrowed from the cooperative while 9% of the respondents did not consult their family members.

This means that majority of the family members have a knowledge or idea about the loan availed of by the respondents. The family members could be the spouse, children or parents of the member-borrowers. A great percentage of those who consulted their family members is attained since the cooperative has required the member-borrowers to let their spouses sign the loan papers especially when conjugal properties are offered as collateral to the cooperative.

Number of respondents who read and understood the loans agreement. Table 4 presents the number of respondents who read and understood the loans agreement before signing it. Loan agreement refers to the promissory note and other released papers that the borrower has to read and sign before the cooperative could release the loan.

Most (61%) of the respondents said that they personally read and understood every detail written in the loan agreement. Thirty (30%) of the respondents said that they



just filled-in the information required in the loan agreement and submitted it to the cooperative. Whereas, 9% of the respondents cannot read so they let someone to fill-up the information without explaining the contents to them.

The result shows that most of the member-borrowers cared to read and understand the contents of the loan agreement before filling-up the required information and finally submitting it to the cooperative. With this, they were aware of the terms and conditions of their loans such as their due date, amortization, and the penalty or surcharge for not paying on time and others related to their loans.

Number of respondents who explained the responsibilities of their co-makers. The borrowers are required to have co-makers to sign the loan agreement and even to appear at the cooperative during the release of the borrower's loan. The co-makers are understood to have responsibilities in the loans of the borrower, as they could be the ones to pay when the borrower will not be able to pay the loan.

Table 5 shows the number of the respondents who explained what the responsibilities of their co-makers are. Eighty (87%) of the respondents said that they explained what are the responsibilities of being their co-makers or guarantors whereas only 13 or 13% of the respondents said that they did not explain the responsibilities of their co-makers since they assumed that they already know it.

The result shows that most of the respondents informed their own co-makers of their responsibilities.



Table 3. Response of the respondents as to whether they consult their family members when borrowing

RESPONSE	FREQUENCY	PERCENTAGE (%)
Consulted family members	91	91
Did not consult family members	9	9
TOTAL	100	100

Table 4. Response of the respondents as to whether they read and understood the loan agreement

RESPONSE	FREQUENCY	PERCENTAGE (%)
Personally read and understood it	61	61
Just fill-in the information required and submit in the cooperative	30	30
Did not read it	9	9
TOTAL	100	100

Table 5. Response of the respondents who explained the responsibilities of their co-makers

RESPONSE	FREQUENCY	PERCENTAGE (%)
Explained	87	87
Did not explain	13	13
TOTAL	100	100



Number of respondents who actually used their loans for the intended purpose.

One information contained in the loan application is the purpose of the borrower for loaning. The purpose written by the borrower in the application form must be carried out once the loan is approved and released.

Table 6 shows the number of respondents who really used their loans for what they have stated in their loan application. Almost all (97%) of the respondents said that they actually used their loan in the purpose they have stated in their loan application whereas only 3 or 3% of the respondents said that they diverted it to other purposes others than what they have originally stated in their loan application.

Moreover, most of the respondents used their loans for procurement of farm inputs since most of them are farmers and some used it for educational purposes like for paying the tuition fees of their children and other school needs. Few respondents used their loans for buying medicines or seed capital for business and others.

The result shows that the respondents knew how to follow or implement honestly the purpose they have stated in their application form.

Table 6. Response of the respondents as to whether they used their loans for the intended purpose

RESPONSE	FREQUENCY	PERCENTAGE (%)
Used for the intended purpose	97	97
Did not use for the intended purpose	3	3
TOTAL	100	100



Number of respondents who used immediately their loans for their project. The loan, upon release from the cooperative should be used in the project immediately. This practice of putting immediately using the project to the project would spare the borrowers from spending their loans for other purpose or being subjected to misspending or even losing the money. With this, Table 7 shows the number of respondents who utilized immediately their loans for their planned project.

It is noted that almost all (96%) of the respondents revealed that as soon as their loan was released, they used it immediately for their project while very few or (4%) said they waited for weeks before finally using their loan.

This shows that most of the respondents planned already where to put their loans. This confirms that most of the respondents prepare project proposal on where and how to spend their loan.

Table 7. Response of the respondents as to whether they used their loans immediately for their project

RESPONSE	FREQUENCY	PERCENTAGE (%)
Immediately Used	96	96
Not Used Immediately	4	4
TOTAL	100	100

Number of respondents who borrowed only from the cooperative. Table 8 shows the number of respondents who availed of loans only from the cooperative. Sixty-six percent of the respondents said that they only availed of loans from the cooperative.



Whereas, thirty-four percent of the respondents loaned-out from other lending institutions aside from the cooperative. They reasoned out that they were forced to borrow from other sources since they were given a small amount by the cooperative which is not enough to finance their projects.

The result reveals that most of the respondents made the cooperative as their only source of loans thus; there is greater probability that they could be able to pay their loans.

Table 8. Response of the respondents as to whether the cooperative is the only source of their loan

RESPONSE	FREQUENCY	PERCENTAGE (%)
Borrowed exclusively from Coop	66	66
Borrowed from other Sources	34	34
TOTAL	100	100

Number of respondents who have savings deposits in the cooperative. Table 9 shows the number of respondents who have made savings deposit in the cooperative that they could use it as payments for their loans.

Out of the 100 respondents, 94 said that they deposited their savings in the cooperative. Some of them even deposited their daily collections from their business and withdrew it upon their payment time. Some respondents said that they were not able to have savings deposit on a regular basis but once they had extra money, it surely went to the cooperative. Only four respondents answered that they never had savings deposit in the cooperative. The results show that most of the respondents knew how to save in the



cooperative, which they could use it as payments for their loans. On the other hand, the cooperative is at least comfortable since there are savings of its member-borrowers that could be frozen and withdrawn if they could not be able to pay their loan.

Table 9. Response of the respondents as to whether they are having savings deposit in the cooperative

RESPONSE	FREQUENCY	PERCENTAGE (%)
With savings deposit in the coop	94	94
Without savings deposit in the coop	6	6
TOTAL	100	100

Practices of the Member-Borrowers in Repaying Loans in the Cooperative

Number of respondents who followed their mode of payment as stated in the loan agreement. Table 10 shows the number of respondents who followed the mode of their payment. Sixty-two of the respondents said sometimes, 37 respondents answered always and only one respondent said never.

The result tells that most of the respondents do not pay regularly when they have to pay and only few of them followed their schedule of payment, like monthly or weekly.

Number of respondents who maintained a record of their payments. Table 11 shows the number of respondents who had their own record of their payments.

It is noted that majority (81%) of the respondents kept records of their payments. According to them, they recorded every payment they made to the cooperative in their



notebooks and they compare their loan balances as reflected in their notebook to the record on the cooperative. With this, they could easily track down if there are discrepancies. Whereas, only few (19%) of the respondents did not have records of their own payments, they trusted that their payments were properly accounted for so they just relied on the records of the cooperative and the official receipts they were keeping.

The results show that the most of the respondents are very concern on their payments thus, they have records of their own payments. This is a way also of identifying if errors are incurred by comparing the balances from the borrower's record with that of cooperative's record.

Table 10. Response of the respondents as to whether they follow their mode of payment

RESPONSE	FREQUENCY	PERCENTAGE (%)
Always	37	37
Sometimes	62	62
Never	1	1
TOTAL	100	100

Table 11. Response of the respondents as to the way they recorded their own payments

RESPONSE	FREQUENCY	PERCENTAGE (%)
With personal records	81	81
With out personal records	19	19
TOTAL	100	100



Number of respondents who kept official receipts of their payment. It is noted that most (69%) of the respondents were always kept the official receipts given to them as they paid serving as a document of their payment of their loans, 29 respondents said sometimes and 2 respondents said they never kept their receipts (Table 12).

The results show that most of the respondents are aware of the importance of keeping all the receipts of their payments. They have something to show as evidence if problem on their payment arises.

Table 12. Response of the respondents as to how often they kept official receipts of their payments

RESPONSE	FREQUENCY	PERCENTAGE (%)
Always	69	69
Sometimes	29	29
Never	2	2
TOTAL	100	100

Actions of the respondents if they could not pay their loans on time. Table 13 shows the actions that the respondents would do if they cannot be able to settle their loans once it will due. Sixty-five mentioned that they would ask the cooperative to restructure their loans, 22 said they would borrow from their immediate family members, co-makers or neighbors, 15 respondents would ask the cooperative to offset their unpaid accounts with their savings deposit, 10 said they will sell properties in order to pay their loans and only 4 respondents said that they would resign from the cooperative.



It is noted from the results that most of the respondents would try to exhaust all possible remedies just to pay their loans if they would not be able to settle them on time.

Number of respondents who responded promptly to the reminder or notice letters from the cooperative. Table 14 shows the number of respondents who promptly responded to the reminder or notice letter of the cooperative.

Majority (51%) of the respondents said that only sometimes did they had respond promptly to the reminder or notice letter from the cooperative. They reasoned out that they had no time to go to the cooperative immediately as they received the notice or they had no payment to bring to the cooperative. Whereas, few (49) of the respondents responded promptly to the notice coming from the cooperative.

The result shows that all the respondents are at least responding to the notices from the cooperative however, only a few gave immediate attention to the notices upon receiving it.

Table 13. Actions of respondents if they could not settle their loans on time

RESPONSE	FREQUENCY	PERCENTAGE (%)
Sell properties	10	10
Ask the cooperative to restructure the loan	65	65
Borrow from friends, family members, neighbors	22	22
Offset with the savings deposit	15	15
Resign from the cooperative	4	4
TOTAL	116	116



Table 14. Response of respondents as to whether they respond promptly to the reminders or notices coming from the cooperative

RESPONSE	FREQUENCY	PERCENTAGE (%)
Always	49	49
Sometimes	51	51
TOTAL	100	

Respondents' Perception on Borrowing from the Cooperative

Perception of the respondents on the reasons for borrowing from the cooperative.

Table 15 shows the perception of the respondents why they borrowed or availed of loans from the cooperative. Sixty-five of the respondents answered that borrowing from the cooperative is a way of patronizing the cooperative's service, 51% of the respondents answered that the cooperative charged lesser interest rate and other fees as compared to other lending institutions. Seven respondents said that the loan processing is short meaning the borrower could get his/her loan from the cooperative in a shorter span of time. Only very few respondents answered that the staff is friendly and they could avail of higher loan from the cooperative. These drove them to borrow from the cooperative.

Perception of the respondents on the character of staff members assigned in the loan section.

Table 16 presents the perception of the respondents on the character of the staffs assigned in loans section. Seventy percent of the respondents answered that the staff were helpful and accommodating, 52% said that they were friendly and 17% said that they were courteous at all times. Only one respondent said that the staff members



were not friendly and accommodating. The results show that most of the respondents have positive remarks with regard to the character of the staff members who were assigned in the loan section of the cooperative.

Table 15. Respondents' perception on the reasons for borrowing from the cooperative

RESPONSE	FREQUENCY	PERCENTAGE (%)
It is a way of patronizing the service of the cooperative	65	65
Lesser interest rate and other fees	51	51
Friendly staff	4	4
Loan processing is fast	7	7
Loan ceiling is higher	2	2
TOTAL	129	

*Multiple response

Table 16. Respondents' perception on the character of the staff members assigned to loan section in the cooperative

RESPONSE	FREQUENCY	PERCENTAGE (%)
They are friendly	52	52
They are courteous at all times	17	17
They are helpful and accommodating	70	70
Not friendly and accommodating	1	1
TOTAL	140	

*Multiple response



Perception of the respondents on the services of the staff members assigned to the loan section. Ninety-six percent of the respondents were satisfied with the services rendered by the staff members assigned to their loan section while only 6% of the respondents were not satisfied (Table 17). The result shows that the staff members were performed their respective tasks or functions properly as confirmed by the high approval of the respondents about their service.

Table 17. Satisfaction of the respondents about the services of the staff members assigned to the loan section

RESPONSE	FREQUENCY	PERCENTAGE (%)
Satisfied	94	94
Not satisfied	6	6
TOTAL	100	100

Perception of the respondents on the processing time for loans by the cooperative.

Eighty-seven respondents agreed that the processing time for loans by the cooperative was just enough; eight respondents said that it was too long while five respondents said that the processing time was too short (Table 18).

The results show that most of the respondents were contented with the time the cooperative processed their loans from the filling of application until the releasing of loans.



Table 18. Perceptions of the respondents on the loan processing time by the cooperative

RESPONSE	FREQUENCY	PERCENTAGE (%)
Too long	8	8
Enough	87	87
Too Short	5	5
TOTAL	100	100

Perception of the respondents on the terms and conditions of the loans offered by the cooperative. Table 19 shows the respondents' perceptions on the terms and condition of the loans offered by the cooperative. 86 or 86% of the respondents were satisfied with the terms and conditions of the loans offered by their cooperative while only 11 or 11% of the respondents were not satisfied. The result implies that most of the respondents agreed with the terms and conditions of the loans which imposed by the cooperative.

Table 19. Satisfaction of the respondents on the terms and conditions of the loans offered by the cooperative

RESPONSE	FREQUENCY	PERCENTAGE (%)
Satisfied	89	89
Not satisfied	11	11
TOTAL	100	100



Respondents' Perception on Loan Repayment

Respondents' perception on the reasons for paying their loans on time. Seventy-one percent of the respondents claimed that paying loans on time is a responsibility that should be done by any borrower. Forty-two of the respondents said to earn a good reputation in the cooperative, 16 respondents said to be able to avail of higher loans, 24 respondents said for other members to have something to borrow and 10% of the respondents, for the cooperative to be able to generate an income (Table 20).

Table 20. Respondents' reasons for paying loans on time

RESPONSE	FREQUENCY	PERCENTAGE (%)
It is a responsibility of a borrower	71	71
To earn a good reputation in the cooperative	42	42
To be able to avail of higher loan	16	16
So that members have something to borrow	24	24
For the cooperative to generate an income	10	10
TOTAL	163	163

*Multiple response

Perception of the respondents on whether loans from the cooperative should be settled first before paying loans from other sources. Twenty-three respondents fully agreed that payments should be made first for the loans in the cooperative before paying loans to other sources. Sixty-eight agreed while only nine respondents disagreed (Table 21).



The results show that most of the respondents have positive perception that loans from the cooperative should be given priority in terms of payment than the loans to other sources. This confirms that the respondents have internalized the philosophy that cooperative is owned, managed and controlled by the members thus, they prioritized their payment to the cooperative before the others.

Table 21. Perception of the respondents as to whether loan payment should be prioritized over loans to other sources

RESPONSE	FREQUENCY	PERCENTAGE (%)
Fully agree	23	23
Agree	68	68
Disagree	9	9
TOTAL	100	100

Perception of the respondents on the performance of the collectors of the cooperative. Table 22 shows that most of the respondents had positive remarks on the performance of the collectors of the cooperative. Twenty-seven respondents rated the performance of the collectors as very good, 71 respondents' rated good while only two respondents gave poor rating to the collectors. The positive rating given by the respondents to the collectors was due to the remarkable attitudes of the staff members such as they were strict in implementing their collection policies, but they were courteous in collecting, they had integrity and credibility, they maintained good rapport with the borrowers and they maintained complete and accurate collection records.



Table 22. Perception of the respondents on the performance of the collectors of the cooperative

RESPONSE	FREQUENCY	PERCENTAGE (%)
Very good	27	27
Good	71	71
Poor	2	2
TOTAL	100	100

Respondents' perception as to how accurate and complete record the recording loan collection. Table 23 presents that 59 respondents said that the cooperative maintained an accurate and complete record of the payments whereas 41 respondents said sometimes.

The result reveals that majority of the respondents believe that the cooperative is properly recording their payments and their records are properly kept at the office. On the other hand, only few respondents said sometimes. According to them, they experienced some instances wherein their loan balances in their own records do not jive with the cooperative's record. This happened when sometimes the staffs forgot to record immediately their payments thus, they have to show receipts of their payment to correct the discrepancy.



Table 23. Perception of the respondents as to how accurate and complete their recording of loan payments

RESPONSE	FREQUENCY	PERCENTAGE (%)
Always	59	59
Sometimes	41	41
TOTAL	100	100

Perception of the respondents on areas for improvement of the collectors. The cooperative has three collectors. Table 24 shows the areas that the respondents perceived should be improved among the collectors. Most (48%) respondents answered the staff members should improve in the way they deal with the borrowers, 41 respondents said they should do something in their strategies of collecting payment, 26 respondents said about their character and 13 respondents answered about their recording of their payments.

Problems Encountered by Member-Borrowers That Affect Their Performance in Loan Repayments

Table 25 presents the problems encountered by member-borrowers that affect their performance in loan repayments.

Since majority of the respondents were farmers, most (54%) of their problem is because of low prices of their produce. It is understood that when price of vegetables goes down the farmers' income is affected causing them not to be able to pay their loans to the cooperative. Fourteen percent of the respondents said that they live very far from



the cooperative and there were no collectors going to their place. Since they live far, they have hard time going to the cooperative to pay their loans especially when they are busy in their farms. Another fourteen respondents said that the loan was not used wisely thus, they could not generate income for the repayment.

Only few (5%) mentioned that the cooperative's record does not conform with their records and seven of the respondents mentioned that some of the officers and staff members of the cooperative are not models to the member-borrowers since they themselves had delinquent loans in the cooperative. Somehow, this influenced the member-borrowers not to pay their loans also.

Lastly, ten respondents claimed that the term and conditions of their loans were not properly explained to them.

Table 24. Perception of the respondents on the areas for improvements of the collectors

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strategies in collection	41	41
Character	26	26
Dealing with the borrowers	48	48
Recording of payment	13	13
TOTAL	128	

*Multiple response



Table 25. Problems encountered by the member-borrowers that affected their performance in loan repayments

RESPONSE	FREQUENCY	PERCENTAGE (%)
Located far from the cooperative	14	14
Low prices of the produce	81	81
Cooperative's record do not conform with the member's record	5	5
Some officers and staff set bad examples	7	7
Lack on management skills on the project	14	14
TOTAL	112	

Respondents' Recommendations for Improving Their Attitudes and Perceptions on Loan Borrowing and Repayment

Table 26 shows that 69% of the respondents recommended that the cooperative must conduct regular information dissemination about loan policies, fifty five percent said a continuous education for the member-borrowers on their duties and responsibilities must be conducted regularly, fifty one percent of the respondents said that a regular monitoring on the projects of the member-borrowers should be conducted to determine whether they used the loans properly, forty seven percent of the respondents mentioned that officers and staff members should always be good models in paying their loans on time also, forty five percent of the respondents said that there must be rewards or



incentives given to the member-borrowers who pay their loans in advance or on time for them to be encouraged. Moreover, thirty percent of the respondents said that staff members should undergo further trainings on loan processing and collection.

Table 26. Recommendations of the respondents

RESPONSE	FREQUENCY	PERCENTAGE (%)
Conduct regular information dissemination on the loan policies	69	69
The staffs should undergo trainings on loan processing and collection	30	30
Regular monitoring on the projects of the borrower	51	51
The officers and staffs should always be good model by paying their loans regularly	47	47
Conduct continuous education to the member-borrowers on the duties and responsibilities	55	55
There must be rewards or incentives to the member-borrowers	45	45
*Multiple response		



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study was conducted mainly to determine the practices and perceptions of the member-borrowers of Bad-ayan Multipurpose Cooperative towards loan availment and repayment. Bad-ayan Multipurpose Cooperative is engaged in various operations; but credit operation is their main source of income.

The respondents of this study were the member-borrowers of the cooperative. A total of 100 respondents were randomly selected from the list of the cooperative. A structured questionnaire was used to gather the data and information needed. The data were then tabulated and analyzed statistically with the use of frequency and percentage.

It was found out that most of the member-borrowers availed of agricultural loans. Majority had already availed of loans from the cooperative more than thrice.

Concerning the practices of the respondents on loans availment, most of the respondents were able to prepare project proposals and most consulted their family members when they borrowed from the cooperative. Before filling –up the loan agreement, most respondents mentioned they personally read and understood all of its details. They also explained what responsibilities of their co-makers are. Most of the loans of the respondents were actually used to the purpose intended for.

According to the respondents, borrowing from the cooperative is a way of patronizing its services being offered. As to the character of the staff members assigned to the loan section, most respondents gave positive remarks stating that staff members are helpful and accommodating. Generally, the respondents were satisfied with the services



rendered by the staff. The time consumed by the cooperative in processing the loan is perceived by most of the respondents as just enough.

On loan repayment, most of the respondents followed their mode of payment. In paying, most respondents asked official receipts and kept them. They have their own record of their payments also. When they could not settle in due time, most respondents preferred to ask the cooperative to restructure their loans. On the other hand, the respondents responded to the reminders or notice letters coming from the cooperative promptly. As to their payments, most respondents brought them to the cooperative.

Regarding the perceptions of the member-borrowers on loan repayment, most respondents said that loans must be paid since it's a main responsibility of the member-borrower and a means of earning a good reputation in the cooperative. When asked whether loans from the cooperative should be settled first before loans from other sources, most respondents agreed it. The performance of the collectors was given a rating of good by most respondents and they recommended that they should improve their dealings with the borrowers. As to the records of loans maintained by the cooperative, majority of the respondents answered always accurate and complete.

The problems encountered by the respondents affecting their loan repayment are low prices of their produce; they live far from the cooperative that they have a hard time going to the cooperative; lack of skills to manage their projects and the cooperative's records do not conform with their records.

Finally, the respondents were asked for their recommendations on how to improve their attitudes on loan availment and repayment. Their recommendations are as follows: the cooperative must conduct regular information dissemination for their loan



policies; continuous education of the member-borrowers on their duties and responsibilities; a regular monitoring on the project of the member-borrowers, officers and staff should always be good models by paying their loans on time also; there must be rewards or incentives given to the member-borrowers who pay their loans in advance and the staff should undergo trainings on loan processing and effective collection.

Conclusions

The following conclusions are derived based from the results of the study:

1. From the various types of loan being offered by the cooperative, agricultural loan is mostly availed of by the member-borrowers.
2. Most respondents prepared project proposal, and consulted their family members when borrowing, explained the responsibilities of their co-makers, asked technical advice from the cooperative, borrowed loans only from the cooperative, and used their loan for the intended purpose.
3. Most respondents believe that paying the loan is a main responsibility of a borrower. Moreover, the respondents have positive remarks on the character and services of the staff assigned to the loan section. Most respondents are contented also with the loan processing time.
4. Most of the respondents followed their mode of payment, kept their receipts and recorded their own payments and responded promptly to the notices from the cooperative. As to their payments, most respondents brought them cooperative. Majority of the respondents said the cooperative always maintained an accurate and complete record.



5. Low prices of products and the far distance to cooperative were identified by the respondents as the main causes of their poor performance in loan repayment.
6. The recommendations to improve attitude and perceptions on loan availment and repayment are: conduct of regular information dissemination on loan policies, continuous dissemination education to the member-borrowers about their duties and responsibilities, a regular project monitoring, officers and staff should be good models, rewards or incentives to be given to those who pay in advance and staff should undergo trainings on loan processing to be more efficient.

Recommendations

The following recommendations are:

1. The cooperative should conduct the following:
 - a) Continuous information dissemination of their loan policies for all the members to be well informed. The dissemination could be done during meetings or activities by distributing brochures containing the loan policies to the members or posting them on the cooperative's bulletin board to be accessible to all the members;
 - b) Preparation of project plan that will enable the member-borrowers to use their loans properly on a feasible project that would make them earn enough for the repayments of their loans;



c) Seminars for the staff especially the collectors on strategies in collecting, personality and values development and record keeping. These seminars would somehow improve and develop the staff to become more efficient and effective in discharging their functions.

d) Livelihood trainings so the member-borrowers will have alternative or additional source of income especially if the price of their products goes down. If they have other sources of income, they would have savings for their loans.

2. Since the respondents have positive impressions on the character of the staff and at the same time are satisfactorily contented with their services, the staff members therefore recommended to maintain or further improve what they are currently doing in the cooperative for them to be accepted by the member-borrowers.
3. The members of the cooperative are scattered in the different barangays of Buguias and one of the identified problem is the far distance of the members from the cooperative that is situated at Baculungan Sur. With the large number of borrowers, it is recommended that the cooperative would add to its existing field offices that are located in Abatan and Bot-oan only. This would facilitate the collection of the payments of the borrowers and at the same time entice savings deposit among the people in the place.



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Appendix A

SURVEY QUESTIONNAIRE

I. General Information

Name (optional): _____

Address: _____ Age: _____

Sex: _____ Civil Status: _____

Address: _____

Educational Attainment:

- () Elementary () Post College
() Secondary () Vocational
() College () Others (specify) _____

Occupation: _____

Type of loan you always avail in the cooperative? _____

II. Attitudes and Perceptions on Borrowing

Please indicate your degree of agreement that comes closest to your feelings and pertaining to your own action by checking the corresponding blank provided for.

Attitudes

1. Did you attend the Pre-Membership Education Seminar (PMES) conducted by the Cooperative where the loan policies were explained?
_____ yes _____ no
If no! Why? _____
2. Do you read and understand first the Loan agreements before filling –up and submitting it to the cooperative for approval?
_____ yes _____ no
3. Do you submit all the necessary requirements before filling your loan?
_____ yes _____ no
4. Do you make plans where you will invest your loans before borrowing?
_____ yes _____ no
If no! Why? _____
5. Do you make plans where you will source out your payments and how you will pay your loans before borrowing? _____ yes _____ no
How? _____
6. Did you strictly use your all loans in what you have stated in the loan agreements?
_____ yes _____ no
If not all, where do you spend it? _____
7. Did you explain first the responsibilities of your co-maker/s before getting them?
_____ yes _____ no
8. Do you acquire loans in other lending institutions either private or public aside from the cooperative?



_____ yes _____ no

9. Do you consult first your family members or business partners before availing of loans in the cooperative?

_____ yes _____ no

10. Do you immediately use your loans upon getting it from the cooperative?

_____ yes _____ no

If no, how many days/weeks /months that you handle before using it?

11. Are you satisfied with the services of the staff assigned in the loans section in your cooperative? _____ yes _____ no

12. Are you contented with the rates, mode/terms of payments of your loans?

_____ yes _____ no

13. Are you contented with the time that your cooperative processes your loans?

_____ yes _____ no

Perceptions

1. Membership in the cooperative is for the purpose of loaning only?

_____ agree _____ uncertain _____ disagree

2. Borrowing from the cooperative is one way of patronizing it?

_____ agree _____ uncertain _____ disagree

3. I borrow money for the sake of borrowing?

_____ agree _____ uncertain _____ disagree

III. Attitudes and Perceptions on Paying Loans

Please indicate your degree of agreement that comes closest to your feelings and pertaining to your own action by checking the corresponding blank provided for.

Attitudes

1. Do you pay your loans following the schemes you have agreed with the cooperative?

_____ yes _____ no

2. What makes or motivates you to pay your loans on time?

_____ to be able to avail of a higher loan

_____ to earn a good reputation in the cooperative

_____ to help the cooperative lessen its delinquency

3. How do you pay your loans?

_____ go to the office personally

_____ wait for the collector

_____ give to any members who go to the cooperative

4. Do you wait for reminder or notice letters before settling your loans?

_____ yes _____ no

5. What remedy/ies you undertake if you cannot pay your loans?

_____ resign in the cooperative and let the share capital be the payment

_____ sell properties

_____ go to the cooperative and ask for extension

_____ borrow outside

6. Are you satisfied when you pay your loans on time?



_____ yes _____ no

7. If you cannot pay your loans, to whom do you usually ask for financial help?

- _____ co-makers
- _____ family members
- _____ borrow from other lending institutions

Perceptions

1. There are always been a problem in the processing of loan in the cooperative
_____ agree _____ uncertain _____ disagree
2. Satisfied with the rate, charges, and term of payment in the cooperative.
_____ agree _____ uncertain _____ disagree
3. Pay early to help solve the cooperative financial situation and at the same time the cooperative can lend to others.
_____ agree _____ uncertain _____ disagree
4. Pay early to loan again.
_____ agree _____ uncertain _____ disagree
5. Pay early so that I will be given a reward.
_____ agree _____ uncertain _____ disagree
6. Pay early so that I will be a member in good standing of the cooperative.
_____ agree _____ uncertain _____ disagree

IV. Problems Encountered by Members that Affect their Performance in Loan Repayment.

Please check the problem you know that are encountered in the cooperative.

- _____ 1. There are no field offices where the members located far from the cooperative could pay.
- _____ 2. There are no collectors who will regularly follow-up the payments of the members.
- _____ 3. Low income as a result of low prices of the products of the members.
- _____ 4. The loan was used to other purposes.
- _____ 5. Poor services of the staff.
- _____ 6. Some officers are not model to the members in the sense that they are also delinquent borrowers.
- _____ 7. The Loan agreements are not properly explained and informed.

V. What would you recommend to the cooperative that would improve your attitudes and perceptions on loan borrowing and repayment?

Please check the recommendation you like to be applied in the cooperative.

- _____ Continuously conduct information dissemination especially on loan policies.
- _____ The cooperative should be strict in implementing their loan policies to all members.
- _____ The staff should be trained on how to deal properly with the borrowers.
- _____ The cooperative should have a regular monitoring scheme to the loans of the borrowers.
- _____ The officers and staff should always maintain good relationship with the borrowers.



- _____ The officers should always be a role model by showing that they pay their loans on time.
- _____ The cooperative should give incentives that would encourage better performance of the members.



Appendix A
Letter to the Respondents

Benguet State University
College of Agriculture
DEPARTMENT OF AGRICULTURAL ECONOMICS AND
AGRIBUSINESS MANAGEMENT
La Trinidad, Benguet

January 2007

Sir/Madam:

Greetings!!!

I am a fourth year student of Benguet State University taking up Bachelor of Science in Agribusiness major in Cooperative Management. I am conducting my undergraduate thesis titled, "Practices and Perceptions of Member-Borrowers of Bad-ayan Buguias Development Multipurpose Cooperative Towards Loan Borrowing and Repayment", as partial requirements for graduation.

this connection, may I request a part of your time to answer the attached questionnaire. Your kind assistance will enable me to complete all the requirements in due time. Rest assured that all your answers will be kept confidential.

Thank you very much.

Truly yours,

FRANKLIN B. AGUSTIN

NOTED:

FLORENTINO B. LANDACAN
Adviser



Appendix B
Survey Questionnaire

I. General Information on the Member-Borrower

Name (Optional) _____

Occupation: _____

What types of loan (according to purpose) have you availed of from the Cooperative?

_____ Agricultural Loans _____ Commercial Loans
 _____ Industrial Loans _____ Salary Loans
 _____ Emergency Loans _____ others, pls. specify _____

How many times have you availed of loans from the Cooperative?

_____ Once only _____ thrice
 _____ twice _____ more than thrice

II. Practices on Borrowing

Did you make a project proposal on where your loans should be used before borrowing at the cooperative?

Yes _____ No _____

If no, why?

_____ lack of knowledge to do
 _____ it is not required by the coop
 _____ others, pls specify: _____

Did you consult your family members or business partners on availing of loans at the cooperative?

Yes _____ No _____

When the cooperative gave the loan agreements to you, what did you do?

_____ I personally read it and understood
 _____ I just filled-out the information and submitted to the cooperative
 _____ I let somebody to fill-out the information
 _____ I never read it
 _____ others, pls specify _____

Did you accomplish and submit all the loans requirements in the cooperative before they released your loan?

Yes _____ No _____

If no, what are those requirements you have not submitted? _____

Did you ask for technical advice regarding your project from the cooperative staff?

Yes _____ No _____

If yes, what had you ask? _____

Did you explain the responsibilities of your co-makers or guarantors when you called them?

Yes _____ No _____

Did you use your loan for the purpose/s you stated in the loan agreement?

Yes _____ No _____

If no, why? _____



Do you have loans from other cooperatives or lending institutions?

Yes _____ No _____

If yes, what are your reasons for availing of loans from other cooperatives/lending institutions? _____

Upon releasing your loans, did you use it immediately in your project?

Yes _____ No _____

If no, why? _____

Do you make savings deposits and add your share capital in the cooperative as a security of your loans?

_____ always _____ sometimes _____ never

III. Practices on Loan Repayment

Do you pay your loans following the mode of payment you have agreed with the cooperative?

_____ always _____ sometimes _____ never

How do you pay your loans?

_____ go to the cooperative personally

_____ through the collector

_____ give it to any member who goes to the cooperative

_____ others, pls specify _____

Do you ask for and keep your official receipts and other documents showing your payment of your loan?

_____ always _____ sometimes _____ never

Are you maintaining a complete record of your payments?

_____ yes _____ no

What actions would you undertake if you could not be able to pay your loans on time in the cooperative?

_____ sell properties

_____ ask the cooperative to restructure the loan

_____ borrow from friends, neighbor or other cooperatives

_____ ask the cooperative to offset with the savings or share capital

_____ resign in the cooperative

_____ others, pls specify: _____

Do you give attention and respond promptly to the reminder or notice of your cooperative regarding your payments?

_____ always _____ sometimes _____ never

Have you been exhausting all possible remedies just to be able to pay your loans in the cooperative on time?

_____ always _____ sometimes _____ never

IV. Perceptions on Borrowing

Why did you borrow from your cooperative?

_____ it is a way of patronizing the service of the cooperative

_____ lesser interest rates and other fees

_____ the staffs are friendly

_____ the time of the processing the loan is short

_____ the loan ceiling is higher

_____ others, pls specify _____



How do you describe the staffs who are assigned in the loan's section of your cooperative?

- a. _____ they are friendly _____ not friendly
 b. _____ they are courteous at all times _____ not courteous
 c. _____ they are helpful and accommodating _____ not helpful and accommodating
 d. _____ others, pls specify _____

How do you rate the service of the staff ?

Yes _____ No _____

If no, why? _____

Do you agree/disagree with the following terms and conditions of the loans offered by your cooperative?

Yes _____ No _____

What can you say about the time consumed by your cooperative in processing your loans?

_____ too long
 _____ enough
 _____ short

V. Perception on Loan Repayment

Why do you pay your loans on time?

- _____ to be able to avail of a higher loan
 _____ to earn a good record or reputation in the cooperative
 _____ it is a responsibility of a borrower
 _____ for the cooperative to generate an income
 _____ so that other members have something to borrow
 _____ to get a reward or incentive from the cooperative
 _____ others, pls specify _____

Do you believe that loans from the cooperative should be paid first before paying the loans from other sources?

_____ fully agree _____ agree _____ disagree

How do you describe your collector or person in-charge in the collection in your cooperative?

- ___ strict in implementing the policy in the collection ___ not strict in the collection
 ___ courteous in collecting _____ not courteous
 ___ maintains integrity and credibility _____ has no integrity and credibility
 ___ maintains good rapport with the borrowers
 ___ always maintains complete and accurate collection record
 ___ others, pls specify: _____

Generally, how would you rate the collectors of your loans?

_____ very good _____ good _____ poor

What are the areas you recommend for the improvement of the staff in-charge in the loan collection?

- _____ strategies in collection
 _____ character
 _____ relationship with the borrowers
 _____ recording of payments
 _____ others, pls specify

Does your cooperative maintains an accurate and complete record of all your payments?

_____ always _____ sometimes _____ never



VI. Problems Encountered by Member-Borrowers that Affect their Performance in Loan Repayment

- there are no collectors who will regularly collect the payments
- there are no field offices where the borrowers could pay especially those who are located very far from the coop office
- the cooperative's record does not conform to the member's record
- the term and conditions of the loans are not properly explained to the borrower
- low income because of low prices of the products of the members
- Some officers and staff set bad examples to the member-borrowers for they are delinquents
- very poor services of the staff
- the loan was not used properly

VII. What would you recommend to the cooperative that would improve your attitudes and perceptions on loan borrowing and repayment?

- conduct regular information dissemination on loan policies of the cooperative
- strict implementation of loan policies to all member-borrowers
- the staff in-charge in loans should undergo trainings on loan processing and collection
- regular monitoring of the loans of the member-borrowers
- officers and staff should always be good model by paying their loans regularly
- conduct continuous education to the member-borrowers on their duties and responsibilities
- there must be rewards or incentives given to the member-borrowers who have good credit record

