
**ASSESSING THE IMPACT OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES' CREDIT
POLICIES ON THE ECONOMIC DEVELOPMENT OF COMMUNITIES, A CASE STUDY OF KAJJANSI
COMMUNITY**

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ABSTRACT

The study aimed at the impact of saving and credit cooperative societies credit policies on the economic development of communities of Kajjansi community and it was guided by the following objectives; To analyze the effects of loan interest rates offered by SACCOs in Kajjansi Community on members economic development, to analyze the effect of Credit period offered by SACCOS in Kajjansi Community on the economic development of its members and to find out whether SACCOS in Kajjansi Community offer loan size that meets their members demands. The study was based on a cross sectional correlation and survey designs and employed both quantitative and qualitative approaches. The study considered a quantitative approach because it comprised of variables measured with numbers and analyzed with statistical procedures in order to determine whether SACCOs' Credit Policy effect on members' economic development. The qualitative approach gave precise and testable expression to qualitative ideas. From the findings, ANOVA results shown that aspects of credit policies can be used to explain variations in MED. The sig value (0.000) was less than the level significance (0.05) and therefore the null hypothesis was rejected. The F-statistics ($F=124.025$) was far greater than the P-value (0.000) hence a further confirmation that aspects of credit policies were significantly influential requisites in the determination of MED at SACCOs. Further, results indicated that the residual value (80.896) was greater than the regression value (43.329) which meant that though some aspects in credit policies do influence MED, there were other factors that highly influenced MED when a qualitative question was raised regarding ways to improve credit policies, the following suggestions were advanced: From the findings, SACCOs should involve all stakeholders in the review of the Credit policies the same policies should be properly communicated to all those concerned.

Key words: savings, credit, cooperative societies' credit policies, economic development and communities

Background of the study.

A credit policy is an institutional method for analyzing credit requests and its decision criteria for accepting or rejecting applications (Derrick et al., 2023). A credit policy was an important tool in the management of accounts receivables. A firm has time flexibility of shaping credit policy within the confines of its practices (Kazaara & Christopher, 2023). It has therefore been a means of reducing high default risk; implying that the firm should be discretionary in granting loans (Churchill, G. 2019). Policies save time by ensuring that the same issue should not be discussed over and over again each time a decision is made. Credit policies according to (Collins et al., 2023) are set of objectives, standards and parameters to guide bank officers who grant loans and manage the loan portfolios (Polycarp et al., 2023). Thus, they are procedures, guidelines and rules designed to minimize costs associated with

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credit while maximizing the benefit from it. And the main objective of credit policy is to have an optimal investment in debtors that minimizes costs while maximizing benefits, hence ensuring profitability and sustainability of microfinance institutions as commercial institutions (Annet et al., 2023). The credit management policy is a set of policy actors designed to minimize costs (risks) associated with credit while maximizing the benefits from it (Paul et al., 2023).

According to (Frank et al., 2023) economic development is an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater choice. Economic development is further said to include adoption of new technologies, agricultural improvement and general improvement in living standards (Allan et al., 2023). SACCOs do establish credit policies as a measure of administering credit (Niyonzima, 2023). These policies have objectives of maximizing profits of shareholders as well as ensuring good quality loans (K. Faridah et al., 2023). Kajjansi Community is, located in Ssisa sub-county in Wakiso district, with a number of SMEs which usually give loans to members of the community. The SACCOs lend money to their members at lower interest rate than commercial banks and money lenders; hence they attach Credit policies in lending money to their members.

Statement of the Problem.

The overall objective of SACCOs is credit delivery and therefore requires stable regulations that safeguards member's funds. SACCOs operate on agreed framework and on the principle of solidarity based on funds generated from member's savings (Derrick et al., 2023). According to Bank of Uganda (Financial Stability Report June 2020), SACCOs have started competing with banks and other financial institutions with similar products to banks due to growth in products (N. Faridah et al., 2023). Some SACCOs have been forced to operate deposit taking business to sustain loan and other products demands (Kazaara & Kazaara, 2023). Their credit programs apply the graduation principles in their lending operations for saving members, so as to increase the size of repeat loans according to repayment record of previous loans (Mark et al., 2023). Demand has forced many SACCOs to operate beyond saving-guarantorship, and advance other tailor-made loans (Alex & Kazaara, 2023). It is therefore essential for SACCOs to have sufficient credit policies to sustain its core duties. Insufficient credit policy sets doubts into the future of the SACCO because the entity may be forced to close business. It was cited in new vision (12th November 2019), that the Auditors of Masaka Elder's SACCO lost at least 399.7 million shillings to fraud, especially due to insufficient credit policy (Ramadhan et al., 2023). SACCOs have several policies which guide their lending programs. Such policies include lending only to the members of the SACCO at a low interest rate, giving only short-term loans, testing eligibility, mutual monitoring of the loan, and amount of savings with the SACCO (Baganzi & Lau, 2017). Whereas research shows that several people have benefited from the credit got from SACCOs because of their lenient credit policies, others have noted that because of a friendly credit policy, many SACCOs have lost their money to fraudulent borrowers thus hampering the development of individuals and communities. However, there is no known study undertaken to evaluate the impact of SACCO credit policies on the economic development of communities.

Specific objectives.

1. To analyze the effects of loan interest rates offered by SACCOs in Kajjansi Community on members economic development.
2. To analyze the effect of Credit period offered by SACCOS in Kajjansi Community on the economic development of its members.
3. To find out whether SACCOS in Kajjansi Community offer loan size that meets their members demands.

Research questions.

1. What are the effects of interest rates applied by SACCOS in Kajjansi Community on their member's economic development?
2. What are the effects of loan Credit period offered by SACCOS in Kajjansi Community on the economic development of their members?

What is the average loan size offered to individual borrower by Kajjansi Community SACCOs?

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Methodology**Research Design**

The study was based on a cross sectional correlation and survey designs and employed both quantitative and qualitative approaches. The study considered a quantitative approach because it comprised of variables measured with numbers and analyzed with statistical procedures in order to determine whether SACCOs' Credit Policy effect on members' economic development. The qualitative approach gave precise and testable expression to qualitative ideas. The study was cross sectional because it was conducted across participants over a short time. It was therefore not be necessary for the researcher to make follow up of the participants. The survey was preferred because it allowed the researcher to get data from many respondents. The design served well in all aspects (cross-sectional, correlational and survey).

Study Population.

The study population included management, staff and members different SACCOs in Kajjansi Community. The management of Kajjansi SACCOs were involved in this study because of the role they play in setting and implementing policies. The staff were involved on grounds that they had worked with SACCOs in Kajjansi Community for at least one year. The members were involved because they are the beneficiaries of the services provided and terms and conditions are set for them. Due to time costs and other constraints, the researcher carried out the study on part of the target population which was more accessible and hence became his sampled accessible population, which was (30 for management and staff and 150 for SACCO members).

Sampling Design.

The study adopted stratified, purposive, convenience and simple random sampling methods to select respondents. These were implemented as discussed below; Purposive sampling was used to select respondents from the management of Kajjansi Community SACCOs. In this case, the management was included in the study because of their technical expertise and strategic linkage with the variables in the study. Stratified sampling was adopted to classify the staff according to their departments. Then simple random sampling was used to select respondents from functional departments, particularly accounts and loans departments. These departments were preferred because the accounts department monitors clients' portfolio while the loans department interacts with clients extensively. To select client respondents, convenience random sampling methods was used. Purposive sampling was used to ensure that only people with relevant information were selected. Simple random sampling was used to select a representative sample from each category.

Sample Size.

To determine the sample size, the researcher used the table developed by Krejcie and Morgan (2019) appendix I. Thirty (30) members of management of selected SACCOs, 150members of selected SACCOs of Kajjansi

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community were selected, especially those who obtained SACCO loans for at least two times. The composition of the sample is as presented in table

Sample Size.**Table 1**

Category	Population	Sample Size
Management and Staff	45	30
Members	555	150
Total	600	180

Source: Primary data

Data Collection Methods.

Different data collection methods were adopted to collect primary data. These are;

Administering of questionnaires.

This helped the researcher to get the information directly from the respondents because he delivered the questionnaire himself and got information there and then. The method was also helpful to collect data from large numbers of respondents.

Data Collection Instruments.

The researcher used a self-administered questionnaire which he delivered himself to all categories of respondents to get the information about the study. The questionnaires were used because it allowed the respondents to answer the questions without the influence or fear of the researcher. Interview guide was also used where by the researcher interacted face to face with the respondents.

Data Analysis.

The data was analyzed using descriptive statistics (means, standard deviations, frequency tables and percentages). Pearson correlation was used to establish the relationship between Credit policies of Kajjansi community SACCOs and members' economic development. Further, regression analysis was used to show the influence of the independent variables on the dependent variable. All responses were collected from the field, compiled, sorted, edited and coded in order to ensure the data quality and accuracy. The data was then entered into the computer and tabulated. Thereafter statistical manipulation was done using the SPSS (Nelson et al., 2022).

RESULTS**Descriptive Statistics on Members' Economic Development. Increased personal disposable Incomes.****Table 1**

	No	Min	Max	Mean	SD	Rank
SACCO loans have tremendously improved my income in the last five years	180	1	5	2.76	1.43	5

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My savings has increased as a result of my increased income	180	1	5	3.01	1.49	4
I can now pay school fees for my children because of increased incomes	180	1	5	3.05	1.47	3
I have acquired new domestic properties because of my increased income	180	1	5	3.31	1.47	1
I can now adequately carter for my domestic needs	180	1	5	3.14	1.45	2
Overall Mean				3.06		
Starting of New Business and Expansion						
I have been able to startup businesses in the last five years	180	1	5	2.95	1.517	5
I have been able to get a productive loan	180	1	5	3.78	1.48	1
I have been able to acquire business management skills from SACCO trainings	180	1	5	3.65	1.39	2
I have been able to diversify my businesses	180	1	5	3.16	1.36	3
I have had successful businesses	180	1	5	3.00	1.37	4
Overall mean				3.40		

Source: Primary Data

From 1 above an increased personal disposable income, acquisition of new domestic properties because of increased income was rated moderately (Mean=3.31) and was ranked first. Members' ability to carter for their domestic needs was also rated moderately (Mean=3.14) and was ranked second, members' ability to pay school fees for their children because of increased income was also moderately rated (Mean=3.05) and was ranked third. Savings increased as a result of increased incomes was also moderately rated (Mean=3.01) and was ranked fourth. Improved incomes from SACCO loans for the last five years were rated low (Mean=2.76) and was ranked fifth (Oromo et al., 2023). The overall mean (3.06) indicates an agreement between management staff and clients of SACCOs which suggests that increased personal disposable income was moderately attained, that is to say some members personal disposable incomes had increased while the rest had not. The SACCOs should strive to improve every member's personal disposable income to achieve economic development (Oromo et al., 2023).

Further from the table 1, on starting of new businesses and expansion of the existing ones, ability to get productive loans was rated moderately (Mean=3.78) and was ranked first. Members' ability to acquire business management skills from SACCO trainings was also rated moderate (Mean=3.65) and was ranked second, members' ability to diversify their businesses was also moderately rated (Mean=3.16) and was ranked third. Having had successful

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businesses was also moderately rated (Mean=3.00) and was ranked fourth while ability to startup businesses in the previous five years was rated low (Mean=2.95) and was ranked fifth.

The overall mean (3.40) indicates an agreement between management staff and clients of SACCO which suggests that some members had been able to start and expand on their businesses while others were not. This puts a task to SACCO to find out why and improve where necessary to achieve members' economic development.

Findings on Nature of Credit policies at SACCOs.

Descriptive statistics on Amount Borrowed.

Table 2

	N	Min	Max	Mean	SD	Rank
Amount borrowed is adequate to undertake reasonable investment	180	1	5	3.38	1.44	3
Amount borrowed is linked to purpose of the loan	180	2	5	4.14	0.98	2
Amount borrowed depends on savings made and shares owned	180	1	5	4.51	1.08	1
Amount borrowed is negotiable in respect to any other acceptable security other than savings	180	1	5	1.89	1.49	4
Loan size always graduates to bigger amount depending on successful payment of previous loans	180	1	5	1.60	1.25	5
Overall Mean	3.10					

Source: Primary Data

From 2 above, the results indicate that amount borrowed depending on the savings made and shares owned was rated highly (Mean=4.51) and it was ranked best done. Amount borrowed linked to the purpose of the loan was rated high (Mean=4.14) and ranked second best done and amount borrowed being adequate to undertake a reasonable investment was rated moderately (Mean=3.38) and it was ranked third (Gracious, 2023). Amount borrowed being negotiable in respect to any other acceptable security other than savings was rated low (Mean=1.89) and it was ranked fourth which means its not done and amount borrowed graduating to bigger amounts depending on the successful payment of the previous loan was also rated low (Mean=1.60) and was ranked fifth meaning that it is not at all done. The overall mean (3.10) indicates an agreement between management staff and clients of SACCOs which suggests that the amount borrowed terms were moderate that is neither favorable nor unfavorable. However, the SACCO should try to improve on weaker areas (Innocent et al., 2023).

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Correlation matrix showing Relationship between Amount Borrowed and Members' Economic Development at SACCOs.

Table 3

	Amount borrowed	Members' Economic development	
Amount borrowed	Pearson Correlation	1.000	0.502
	Sig. (2-tailed)		.000
	N	180	180
Members' Economic Development	Pearson Correlation	0.502	1.000
	Sig. (2-tailed)	.000	
	N	180	180

**. Correlation is significant at the 0.01 level (2-tailed).

Basing on the results in 3 above, the Pearson correlation coefficient obtained that is 0.502 and sig=0.00 indicated a strong positive significant relationship between amounts borrowed (loan size) and members' economic development (Ronet et al., 2023). This indicates that the larger the amount borrowed (loan size), the greater the level of members' economic development. Regression, ANOVA and coefficients results for amount borrowed and MED is as attached (appendix vi (c)).

Coefficients showing the influence of Amount Borrowed (loan size) on Members' Economic Development at SACCOs.

Table 4

	Un-standardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
Constant	0.414	.550			
Amount borrowed is adequate to undertake reasonable investment	0.275	.022	.153	1.432	.156
Amount borrowed is linked to purpose of the loan	0.028	.145	.020	.193	.647
Amount borrowed depends on savings made and shares owned	0.033	.116	.033	.282	.879

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Amount borrowed is negotiable in respect to any other acceptable security other than savings	0.744	.208	.464	.054	.000
Loan size always graduates to bigger amount depending on successful payment of previous loans	0.102	.109	.092	-.933	.354

a. Dependent Variable: Economic Development

b. Constant: Amount Borrowed

From above 4, the beta and t-values and the significance values, amount borrowed being negotiable in respect to any other acceptable security other than savings had the most influence on members' economic development at SACCOs (beta=0.464,t=0.054 and sig=0.000).Other practices of SACCOs concerning amount borrowed influence members economic development but the influence is not so significant as their values were above the popular significance level of 0.05(amount borrowed adequate to undertake a reasonable investment sig=0.175,amount borrowed linked to the purpose of the loan sig=0.156,amount borrowed depending on the savings made and shares owned sig=0.879,Loan size graduating to bigger amounts depending on successful payment of previous loans sig=0.354).Amount borrowed being negotiable in respect to any other acceptable security other than savings significantly predict members' economic development and should therefore be emphasized (Brighton et al., 2023).

Descriptive statistics on Credit Period.

Table 5

Credit Period	No	Min	Max	Mean	S D	Rank
Credit periods given by SACCOs are favorable for business growth and income generation	180	1	5	3.48	1.44	5
Credit period changes with the size of the loan	180	2	5	4.58	0.78	2
Credit period depends on the type of the loan	180	2	5	4.76	0.69	1
I am always aware of policies on credit period	180	1	5	3.68	1.13	3
I can afford the credit period	180	1	5	3.58	1.12	4
Overall mean				4.01		

Source: Primary Data

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From 5 above, credit period depending on the type of the loan was rated high (Mean= 4.76), and was ranked best done. Credit period changing with the size of the loan was also rated high (Mean=4.58) and ranked second best done. Awareness of the policies on credit was rated moderately (Mean=3.68) and was ranked third. Affordability of the credit period was also rated moderately (Mean=3.58) and was ranked fourth and credit periods given by SACCOs being favorable for business growth was rated moderate (Mean=3.48) and ranked fifth. The overall response as regard to credit period was rated high (Mean=4.01) indicates an agreement that credit period terms were not bad at SACCOs (Frank et al., 2023).

Correlation Matrix showing the Relationship between Credit Period and Members' Economic Development at SACCOs.

Table 6

	Credit Period	Members' Economic development	
Credit Period	Pearson Correlation	1	.540
	Sig. (2-tailed)		.000
	N	180	180
Members' Economic Development	Pearson Correlation	.540	1
	Sig. (2-tailed)	.000	
	N	180	180

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data

From 6 above showing results, the Pearson correlation coefficient obtained 0.540 indicates a strong positive but significant relationship between the two variables that is credit period and members' economic development. This reveals that an increase in the credit period can enhance members' economic development. Regression and ANOVA results on credit period and MED are as attached (appendix iv(d) (Nelson et al., 2023).

Coefficients showing the influence of Credit Period and Members' Economic Development.

Table 7

	Un-standardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
Constant		0.414	.550	1.099	.175
Credit periods given by SACCOs are favorable for business growth and income generation	0.275	.022	.153	1.432	.156

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Credit period changes with the size of the loan	0.028	.145	.020	.193	.647
Credit period depends on the type of the loan	0.033	.116	.033	.282	.879
I am always aware of policies on credit period	0.744	.208	.464	.054	.000
I can afford the credit period	0.102	.109	.092	-.933	.354

a. Dependent Variable: Economic Development.

b. Constant: Credit Period.

From 7 above, using linear regression analysis from SPSS data bases, a number of terms in regard to credit period were regressed to find out how they impacted on members' economic development at SACCOs (Nelson et al., 2022). According to beta and t-values, always aware of policies on credit period had the most influence on members' economic development at SACCOs (beta=0.464,t=0.045 and sig=0.000).Other practices of the SACCO on credit period influence members economic development but the influence is not so significant as their values were above the popular significance level of 0.05 or 5% (Credit period given by SACCOs being favorable for business growth and income generation sig=0.156,credit period changing with the size of the loan sig=0.647,credit period depending on the type of the loan sig=0.879 and affordability of the credit period sig=0.354).Awareness of policies on credit period as a component of credit period significantly influence members' economic development and should therefore be addressed.

Descriptive statistics on Interest Rates on Credit.

Table 8

Interest rates	N	Min	Max	Mean	S D	Rank
Interest rates depends on the type of the loan	180	2	5	4.83	0.55	1
I am satisfied with interest rates at SACCOs	180	1	5	4.09	1.22	2
Method of calculating interest rates on loans is friendly and encourages quick recovery of loans	180	1	5	3.75	1.29	3
Interest rate is always communicated to us	180	1	5	3.60	1.09	4
Interest rates are negotiable for all amounts	180	1	5	1.55	1.15	6
SACCOs always charge market based interest loans	180	1	5	2.88	1.72	5
Overall mean				3.45		

Source: Primary Data

From 8 above, interest rates depending on the type of a loan was rated high (Mean=4.83) and was ranked best done, satisfaction with the interest rates at SACCOs was also rated high

(Mean=4.09) and was rated second best done, method of calculating interest rates being friendly and encouraging quick recovery of loans was rated moderately (Mean=3.75) and was ranked third. Communication of interest rates

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was also rated moderately (Mean=3.60) and was ranked fourth while SACCOs charging market based interest on loans was rated low (Mean=2.88) and ranked fifth and interest rates negotiable for all loan amounts was rated very low (Mean=1.55) and ranked sixth (Anthony et al., 2023).

From the table above, the overall mean (3.45) indicates an agreement between clients and staff of SACCOs, which suggests that loan interest rates at SACCOs were moderate that is neither favorable nor unfavorable. However, the SACCO should endeavor to address the weaker areas.

Correlation Matrix showing the relationship between Interest Rates and Members' Economic Development at SACCOs.

Table 9

	Interest rates on credit	Members' Economic development	
Interest rates on credit	Pearson Correlation	1	.290
	Sig. (2-tailed)		.009
	N	180	180
Members' Economic Development	Pearson Correlation	.290	1
	Sig. (2-tailed)	.009	
	N	180	180

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data

From 9 above, correlation indicate that there is a weak positive relationship between interest rates and MED ($r=0.290$, $\text{sig}=0.000$). The positive relationship indicates that a directional change in the independent variable (interest rates) lead to the same directional change in the dependent variable (MED). Regression, ANOVA and coefficient results on interest rates on credit and MED is as attached (appendix vi(e)) (Victor et al., 2022)

Coefficients showing the influence of Loan Interest rates on Members' Economic Development.

Table 10

	Un-standardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
Constant	0.214	.550		1.099	.175
Interest rates depends on the type of the loan	0.175	.022	.113	1.433	.156
I am satisfied with interest rates at SACCOs.	0.028	.145	.010	.193	.647
Method of calculating interest rates on loans	0.033	.116	.033	.282	.479

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is friendly and encourages quick recovery of loans					
Interest rate is always communicated to us	0.344	.308	.364	.054	.100
Interest rates are negotiable for all amounts	0.102	.109	.062	.933	.354
SACCOs always charges market based interest loans	0.134	.108	.164	.054	.000

Dependent Variable: Members' Economic Development.

Constant: Interest rates on loans.

From 10 above, using linear regression analysis from SPSS data bases, a number of credit terms in regard to interest rates were regressed to find out how they impacted on members' economic development at SACCOs (Ronald et al., 2023). According to beta and t-values, charging market based interest on loans had the most influence on members' economic development at SACCOs (beta=0.164,t=0.054 and sig=0.000).Other practices of the SACCO on interest rates on credit influence members economic development but the influence is not so significant as their values were above the popular significance level of 0.05 or 5% (Interest rate depending on the type of the loan sig=0.156,satisfaction with interest rates at SACCOs sig=0.647,method of calculating interest rates on loans friendly and encouraging quick recovery of loans sig=0.479,interst rates always communicated to members sig=0.100 and interest rates negotiable for all loan amounts sig=0.354).Charging of market based interest rates on loans as a component of interest on credit significantly influence members' economic development and should therefore be emphasized (Collins et al., 2023).

Correlation Matrix showing the relationship between Credit policies and Members' Economic Development at SACCOs.

Table 11

	Credit Policies	Members' Economic development	
Credit Policies	Pearson Correlation	1	.591**
	Sig. (2-tailed)		.000
	N	180	180
Members' Economic Development	Pearson Correlation	.591**	1
	Sig. (2-tailed)	.000	
	N	180	180

** . Correlation is significant at the 0.01 level (2-tailed).

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From 11 above, the correlation results indicate that there is a strong positive relationship between credit services terms and MED ($r=0.591$, $\text{sig}=0.000$). The positive relationship indicates that a directional change in the independent variable (credit services terms) lead to the same directional change in the dependent variable (MED). This is supported by Adugna and Heudhes (2000), who pointed out that credit, is considered to be an essential input to increase agricultural productivity, mainly land labor. It is believed that credit boosts income levels, increases employment at household level thereby boosting economic development (Oromo et al., 2023).

Regression Results for Credit policies and MED.

Table 12

	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591(a)	.349	.340	1.01839

a Predictors: (Constant), Credit Policies.

From 12 above, credit policies strongly affect MED ($R=0.591$) with variations in aspects of credit policies contributing 34% to variations in MED.

ANOVA Results for Credit policies and MED.

Table 12

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	43.329	1	43.329	41.777	.000(a)
	Residual	80.896	78	1.037		
	Total	124.224	79			

a Predictors: (Constant), Credit policies.

b Dependent Variable: Members' Economic Empowerment.

From 12 above, ANOVA results further show that aspects of credit policies can be used to explain variations in MED. The table above 12 shows the sig value (0.000) less than the level significance (0.05). The F-statistics ($F=124.025$) is far greater than the P-value (0.000) hence a further confirmation that aspects of credit policies are significantly influential requisites in the determination of MED at SACCOs. Further, tables 12 indicates that the residual value (80.896) is greater than the regression value (43.329) which means that though some aspects in credit policies do influence MED, there are other factors that highly influence MED when a qualitative question was raised regarding ways to improve credit policies, the following suggestions were advanced:

Conclusion.

From the findings and the corresponding discussions, the study concludes that credit policies at SACCOs have got a significant effect on members' economic development. Credit policies are significantly correlated with members' economic development and significantly predict members' economic development. SACCO had credit policies in

place but were not being communicated properly to members and their review was not involving all stakeholders. It also indicates that credit policies were rated moderately.

Recommendations.

SACCOs should involve all stakeholders in the review of the Credit policies the same policies should be properly communicated to all those concerned.

SACCOs should allow its members to withdraw their savings as needed and the minimum balance should be friendly to the members.

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