

**PERSONAL CREDIT SCORE AND ACCESS TO AFFORDABLE CREDIT; A
CASE STUDY OF THE NCBA GROUP PLC, KENYA**

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ABSTRACT

To determine the level of risk default that a client or household presents and assign a risk score to each client, to ascertain the validity of the credit score and household borrowing, to examine trends in credit portfolio diversification, to guarantee adequate controls over credit score, the study aims to examine and establish personal credit scores and access to affordable credit in accessing affordable credit, a case study of the NCBA Bank Group PLC Kenya. Targeting 170 personnel, namely the corporate risk manager, project manager, branch manager, credit risk manager, and operations manager of the NCBA Bank, Kenya, a descriptive study approach was used. 30% of the workers in a survey of 35 branches out of 64 branches were used in the study (51 employees). Both primary and secondary data were employed in the investigation. The primary data will be administered with the questionnaire, and data presented in form of tables and pie charts. It is recommended that in order to assess specific banks' capacity for portfolio risk management and the creation of expert-based scorecards, focused consultations with those banks are necessary. In addition, there is need for launching a large-scale effort to standardize the gathering of financial statement data, ratio computations, collateral quality measurements (type, loan-to-value ratio, lien position), and performance data for loans and deposits. This would eventually allow for the creation of a pooled credit scorecard that includes not only credit bureau data but also the other essential components of a strong NCBA Bank, Kenya scoring model. The days of implementing broad-based policies are being replaced by in-depth evaluations of the market circumstances and a better effort to comprehend the increasingly complex wants of consumers. Additionally, it must be made known that the Credit Information Sharing Mechanism opens up new avenues for obtaining official credit.

Keywords: Affordable credit, Account Review, Credit Limit, Credit Report

BACKGROUND

The likelihood that a person would default on a financial obligation within a given time frame is reflected in their credit score, which is a dynamic statistic based on the person's prior interactions with the credit markets at the time it is calculated. Credit ratings are frequently used to assess the risks involved in contacting certain clients, which has a significant impact on whether they can utilize credit responsibly or face difficult financial times (Hiller & Jones, 2022). Tools for managing credit risk can successfully manage risk selection, managing credit losses, evaluating new credit preferences, ensuring that current credit forms are solid when consistently used, and expediting loan approval times (Deventer, Imai & Mesler, 2013).

According to Dinh and Kleimeier (2007), credit reports provide a credit score that is unique to a customer's character. A credit report and a standardized formula are used to compute this credit score, which is a measure of credit risk. Bills that are regularly paid, no defaults on unpaid debt, and stability in work all contribute to a positive score. On the other hand, late payments, bankruptcy, accusations of fraud, foreclosures, and loss of employment are signs of a bad credit score (Irawati et al., 2019). Additionally, credit scoring is now used for additional areas of the credit process, such as pricing financial services to reflect the risk profile of the customer or business and determining credit limits, in addition to the traditional decision-making of accepting or rejecting a credit application (Marron, 2007).

Lenders are less concerned about the issue of financing unviable projects when they have more information about borrowers, their credit histories, or other lenders to the company. As a result, they provide more credit (Bebczuk, 2003). According to CBK, a method for sharing credit information is advantageous for borrowers, lenders, and the economy. Credit information exchange, in the eyes of lenders, lessens the information asymmetry between them and potential borrowers, giving them more control over how they evaluate and decide on loan requests. On the other hand, borrowers could cut their borrowing costs and increase their borrowing capacity by using their strong credit score histories to create information capital and negotiate advantageous conditions of loan. Increased business lending stimulates economic activity for the economy as a whole (Okumu, 2015).

The issue of low lending and high interest rates, according to lenders, cannot be solved within the framework of restricted lending and deposit rates; they add that alternative policy interventions will help (Ferrari., Masetti & Ren, 2018). The foundational tenet of the credit portfolio is that investors typically look to get the most return on their assets for a particular amount of risk. The portfolio also provides a structure for characterizing and quantifying investment risk and establishing connections between that risk and anticipated returns (Essendi, 2013).

Lenders who apply a discriminative approach would still be able to serve a lower layer of borrowers to a limited extent, by providing below market clearing rate, on a selected portfolio of household borrowers, built through incurring the commensurate cost of past credit information gathering and risk appraisal to mitigate the challenges of adverse selections anomaly on the credit market (Odiwuor, 2016). For credit seekers, collateral becomes a major barrier to accessing formal personal finance. Lenders use collateral as a risk mitigation mechanism; a fallback recourse in the event of a loan default. Lenders intend to provide credit support, with recovering the loan through the collateral attached to it as an option of last recourse (Olaka, 2022). Ordinarily, collateral requirements are based on the amount of credit being sought and the risk involved. If the credit proposal is not bankable access to credit will be denied even if the collateral attached was adequate. Where the credit proposal is found bankable, one can have collateral and still be unable to access credit if it is sufficient or does not meet a lender's collateral requirements(Olaka, 2022).

STATEMENT OF THE PROBLEM

Kenya's economy is expanding significantly, particularly in the credit portfolio. Several lending institutions are having difficulty developing and implementing a competent and more long-lasting framework for risk management, particularly credit risk management. Despite the fact that credit scores are a difficult topic, they require special resources, such as individuals with specialized knowledge and supportive infrastructure. Credit score models in place at lending institutions have led to a considerable increase in business efficiency, cost savings, and the ability to spot and seize new possibilities and provide superior customer-focused services.

OBJECTIVES OF THE STUDY

The research seeks to achieve its overall objectives on personal credit score on household borrowing by focusing on the following specific objectives:

- i. To determine how Borrowers' factors influence personal credit scores and access to affordable credit at NCBA Bank Plc, Kenya.
- ii. To establish how Loans' factors influence personal credit score and access to affordable credit at NCBA Bank Plc, Kenya.
- iii. To assess how Lenders' factors influence personal credit score and access to affordable credit at NCBA Bank Plc, Kenya.

RESEARCH QUESTIONS

- i. To what extent does Borrowers' factors influence personal credit score and access to affordable credit at NCBA?
- ii. Does Loan factors influence personal credit score and access to affordable credit at NCBA?
- iii. To what extent does Lenders' factors influence personal credit score and access to affordable credit at NCBA?

SIGNIFICANCE OF THE STUDY

The study's findings shall help lending institutions keep current, stop credit-risk experts from delivering erroneous information, and increase the reputation of the business while it extends loans. The scholars who will be doing similar research study in the future will use the results, The NCBA Bank Group Plc, Kenya management, will get to understand the current dynamics in the credit risk field, Clients will understand the product features, scholars who need have research in the same area will have an opportunity for growth and learning, the Government and policymakers, the research study will offer a useful framework, guide a roadmap in formulating policies and legislative amendments that cover the lending institution that operations mainly in the Republic of Kenya while advancing credit. The relationship managers, data analysts, risk managers, and project managers will employ the good information in coming up with an informed decision, and the general

public, will advantage of the study findings by having facts, new ideas, and curiosity, building discerning analytical skills and opinions.

LITERATURE REVIEW

Theoretical Literature Review

Asymmetry Information Theory

When a client - the borrower - applies for a credit facility, they are in a position to know more about the potential risks and returns associated with the business or investment for which the credit is requested (Bosek, 2016). This situation is known as information asymmetry. In the majority of cases, lenders lack comprehensive knowledge of the borrower and the anticipated project. Moral hazard and adverse selection are the two categories into which information asymmetry concerns are typically divided in financial organizations (Gladys, 2012). Due to the fact that it is illogical to allocate financial resources for monitoring and appraisal of small credit facilities and that the data required to screen applicants and monitor them may have cost implications, financial institutions do face challenges when addressing prevalent problems (Gorton & Pennacchi, 1995).

The 5 C's Model of Consumer Appraisal

The 5Cs model aids in the assessment of the credit worthiness of applicants for loans. The 5Cs comprise several borrower features like Character which is more concerned with reputation, in especially for returning clients, it also provides as evidence of the reputation for handling loan obligations. The majority of lenders in the banking industry demand that the client present a credit history report from a Credit Reference Bureau (CRB) demonstrating that they do not have a debt in default with any other financial institution, or if they do, what the reasons were (Olaka, 2022).

Since it shows a lesser risk, a solid credit history can also be utilized as a starting point for negotiating a lower interest rate on your loan. There are three different types of capital: capacity, that depends on fluctuations in the debtors' profits and incomes, and capacity to repay, that is typically assessed by an analysis of cash flows. This demonstrates your capacity to repay a debt. Here, the majority of lenders will ask you for some documentation

to show that you have a steady source of income. If the same money is not banked, having a steady income is insufficient. Maintaining your entire salary in a bank is important. Payslips for salaried individuals and bank statements for everyone would display this (Olaka, 2022).

Conditions that centre on the investment in which the borrowed capital are to be made, criteria that a lender includes in the loan agreement to protect the order of debt payback. Parameters regarding the use of borrowed equipment to guarantee proper operating conditions throughout the loan's term in order to keep producing the anticipated cash flows, as well as collateral - the security recognized by the borrower as assurance for the credit - are also important. These all provide crucial details regarding the applicant's ability and possibility of repaying the credit provided to them, (Olaka, 2022).

Agency Theory

Without limiting the bank's other rights, the borrower must indemnify the bank immediately upon demand for any cost, expense, loss, or liability sustained or incurred by the bank as a result of: any amount of the facilities not being disbursed for any reason; any default or delay by the borrower in making payments when due in relation to the facilities; the occurrence of any event which, with the giving of notice and or lapse of time and or the bank making the relevance (Pergam, 1983). The establishment of interest rate regulations ignored the fact that limiting banks' ability to set lending rates in line with borrowers' risk profiles would lock out loan segments seen as being problematic (Olaka,2022). According to the law, lending institutions are required to update the disclosure of fees and terms clause in each of their contracts with borrowers (Olaka,2022).

A properly established and well-structured government-led credit guarantee program is required since it has the potential to significantly reduce borrower risk and promote economic credit expansion. There is room to evaluate how well the current credit guarantee program is working and, if required, make changes to improve take-up (Olaka, 2022).

Empirical Literature Review

Credit Risk Analysis and Appraisal

Effective credit risk management requires the ability to prudently and efficiently manage customer credit lines. In order to lessen their exposure to bad debt and bankruptcy, banks must be aware of their customers' financial situation, credit score history, and changing payment patterns (Zamore et al., 2018). When an organization faces credit risks, credit risk management practice refers to the collection of closely related actions and actions for managing and directing those risks in accordance with the goals of the business (Nikolaidou & Vogiazas, 2014).

By releasing interest rates to market forces, bank lending will become more accessible, allowing borrowers to access cash and giving banks a chance to develop and innovate (Olaka, 2022). According to the study by Moeller (2007), the key tenets of the credit risk management method are listed in the order below: the development of a clear framework, duty assignment, prioritizing and control of processes, communication of obligations, and accountability assignment.

Techniques for managing credit risk are developed and utilized by management of banks as an instrument for actions both internally and externally by bank regulatory authorities to maintain the financial stability of the banking sector. These policies' principal objectives centre on the importance of asset diversification, maintaining a balance between returns and risk, the quality of bank assets, and ensuring the security of depositors' funds. The ineffectiveness of the different regulatory frameworks created by the supervisory authorities and the incapacity of technology breakthroughs to halt the rise of toxic assets in many banks raise serious concerns for stakeholders in the financial systems of both developed and developing nations (Mwangi, 2012).

Credit Risks and Approvals

Every financial institution should have a reliable credit approval authority in place that would examine each application for a credit score and objectively approve or deny the application depending on the facts presented. Everyone who extends credit should set up

some sort of bad loan setup because to the difficulty in precisely calculating the credit recipient's ability to make periodic payments until the complete extended money is established, together with the thereon of interest (Chapman et al., 2006). Financial institutions evaluate all applicants in accordance with their credit policies, regardless of whether they are businesses or people. The credit terms, which include security requirements and all necessary collateral, as well as repayment plans and due dates, are outlined in the policy. It also specifies who is eligible to obtain a loan and who is not (Korutaro et al., 2014).

Full information disclosure on borrowers is critical in minimizing the degree of data asymmetry amongst borrowers and banks, which is crucial in the credit appraisal process, according to the Olaka (2022) while the implications of financial service providers' restrictions on disclosing unfavourable information won't be felt right away, they will undoubtedly limit the granting of new loans. Banks utilize any other information (which varies from bank to bank) besides credit scores to determine what customers are eligible for and the interest rates that will be applied in addition to their other internal credit policies. Banks may use loan denials in severe circumstances where there is insufficient information (Olaka, 2022).

According to the applicant's score provided to the predictor factors, such as the amount of credit providers utilized or the applicant's tenure at a job, the scoring technique is based on the addition or deletion of a statistically retrieved number of points. Therefore, it may be argued that credit scoring enables lenders to quickly assess borrowers' creditworthiness. Additionally, credit scoring offers advancers the chance to improve customer service and keep repeat customers. Of course, using a statistically calculated cut-off credit score, an analyst can discriminate between those seeking credit who are suitable as opposed to those who are unacceptable (Olaka, 2022). As envisaged in the Basel Model, the Basel committee required the lending institution's banks' board of directors and leadership to take responsibility for ensuring that the said banks put in place efficient internal controls and an adequate framework for credit risk assessment mechanism to match the scope of the bank's lending activities and consistently review the provisions for loan losses under the

aforementioned policies and procedures, coupled with vibrancy in the application of accounting and supervisory principles (Young & Coleman, 2010).

Credit Risks and Monitoring

In his study, Kibosia (2012) found that many small firms and people that received loans are repaying them, and this is ascribed to a number of causes, beginning with business longevity and interest rates. The study found that many households default on their loans as a result of bad credit analysis, lax loan monitoring and supervision, lengthy payback terms, and overall economic challenges. Banks must set aside money as provisions, which are also non-returning funds, to offset anticipated losses on loans provided, in accordance with international financial reporting standards (IFRS 9). In a situation where credit risk is high, banks would need to make more provisions because predicted credit losses would rise (Olaka, 2022).

The risk that banks are exposed to when they lend depositors' money is taken into account after determining the base rate. The loans must be processed and managed cautiously because they are cash that depositors are owed. In order to achieve this, a risk premium is calculated based on the economic risk, paying particular attention to the industry the borrower operates in, business activity, the borrower's financial situation, and the borrower's past loan performance, if any (Olaka, 2022). Outside the interest rate, banks would charge application and processing costs for the service of loan, exactly like any other economic agents (Olaka, 2022), according to further explanation. Other expenses related to the loans include third-party expenses, which are outside of the control and jurisdiction of banks and should ideally cover legal fees, life and other insurance costs related to obtaining credit, government levies, and valuation fees. These expenses raise the overall cost of credit that customers must pay (Olaka, 2022).

In the study conducted by Kibosia (2012), these consist of pricing loans based on 14 degrees of risk, managing payments that are late and delinquencies in a different way, managing collections differently depending on results forecasts, calculating the amount of profit a particular account is expected to produce, and, in addition to focusing on prospective

consumers and identifying candidates who may be applicants for other services. To enable an accurate and economical credit risk assessment, credit score reporting comprises of overcoming information asymmetries between creditors and borrowers. Credit score reporting can contribute to lower borrowing costs in this way, which are then passed on to borrowers in competitive markets as a cheaper cost of capital. Also, it can make it easier for businesses and households to get loans (Miller, 2003).

Credit Risks on Individual Characteristics and their effects on credit Scores

The idea of establishing CRBs' was mooted to enable lending institutions in sharing information on default and non-default among them, eliminate serial bad borrowers whose aims of borrowing from various financial institutions would be not to repay, also to provide professional credit reference bureau to prospective foreign direct and indirect investors to guide their decisions making while dealing with an individual (Beck, Demirguc-Kunt& Honohan, 2009). It is in support of the work we have been doing with the Central Bank of Kenya (CBK) to score borrowers using all accessible credit information, including the CRB. Whenever you receive a score, you can then access a set quantity of credit. In order to determine the volume or amount of credit that NCBA Kenya can offer a borrower, it is intended to be utilized as a determining factor. For this reason, we are talking about why blacklisting borrowers with bad credit is not appropriate (Anna, Boris& Ivana, 2015).

CONCEPTUAL FRAMEWORK

The research variables are shown in a diagrammatic form that can be thought of as a conceptual framework that links and established the relationships between dependent and independent variables.



Figure 1: Conceptual Framework

RESEARCH HYPOTHESES

- H01 There is a significant relationship between borrowers' factors and access to credit
- H02 There is a significant relationship between loans' factors and access to affordable credit.
- H03 There is a significant relationship between lenders' factors and access to affordable credit.

RESEARCH DESIGN AND METHODOLOGY

The research study was grounded on a research paradigm that is positive. Because a deeper knowledge of the research study is the primary goal, the research study used a descriptive research design; it's imperative that the results obtained are to provide general data and statistics in several institutions (Kothari & Garg, 2004). The target population was 170 bank employees namely corporate risks manager, project managers, Brank managers, credit risks analysts, and operations managers. Stratified random sampling was adopted to establish a suitable representation. To minimize this danger, researchers always choose a subset of the population to represent them that shares the same traits that can be studied as the complete population.

Descriptive and inferential statistics with the help of SSPS version 25.0 were used to analyze the data. The association between the research variables was demonstrated using inferential statistics. Multiple regression analysis was used to analyze the joint effect of the

three variables' linear relationships, and each predictor's coefficient B1 predicted the relationship.

The multiple regression models to be applied;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + E$$

Where; Y= Credit score

$\beta_1 = 1, 2, 3$ =Coefficient of independent variable

X_1 = Borrower's factor

X_2 = Loan or platform factor

X_3 = Lender's Factor

E = Errors

RESULTS AND FINDINGS

Response Rate

A total of 51 people made up the sample population for the study; the investigator distributed the survey responses as shown in Table 4.1. The results of the study show that, overall, 38 respondents filled out the questionnaire, representing a response rate of 74.5%, while 25.5% of the respondents did not. The response rate for the research study was very high. Kothari and Garg (2004) state that a response rate of 51% is considered appropriate, a response rate of 60% is considered good, and a response rate of above 70% is considered great. As a result, the study response rate was excellent, and 38 genuine responses were used for data analysis.

Table 4.1:Response rate

Respondents	Frequency	Percentages
Responses	38	74.50%
Non Responses	13	25.50%
Total respondents	51	100

Borrowers' factors

Respondents were requested to answer the following questions, and the researcher wanted to know how personal credit score and access to inexpensive credit at the NCBA Bank related. The study variable was evaluated using a Likert scale. The research study variables

were determined using a set of five questions. Descriptive statistics are used to illustrate the findings of the research investigation. For the first question, the study inquired if the loan amount to clients depends on the information offered by the customer and 21.06% of the respondents were neutral, 26.31% agreed and 52.63% strongly disagreed.

The second question under this variable, the study inquired, as a bank, we have various credit mix depending on the need and capabilities of the customers and 21.06% of the respondents disagreed, 52.63% agreed, while 26.31% of the respondents strongly agreed.

The third question was the trustworthy appearance of the customer plays a key important role in the loan to be awarded and the response were as follows; 2.63% of the respondents were neutral, 21.06% of the respondents agreed while 76.31% of the respondents strongly agreed. The study findings is supported with the findings of other studies such as Ferrari et al. (2018), trustworthiness is partially inherited, which is consistent with this viewpoint. It is difficult or expensive to modify an individual's appearance, which communicates the value of their reputation capital.

The fourth question was payment history of a customer is also viable when the customer wants to access the loan, the responses were as follows; 39.47% of the respondents were neutral, 52.63% of the respondents agreed and 7.98% of the respondents strongly agreed. The fifth question was as follows; the amount owed by the customer is also used to determine the customer loan's approval, the responses were as follows; 39.47% of the respondents disagreed, 7.90% agreed, while 52.63% of the respondents strongly agreed.

Table 4.2: Borrowers' factors

Statement	SD	D	N	A	SA
We give loan amounts to clients depending on the Information offered by the customers.	-%		21.06%	26.31%	52.63%
As a bank, we have various Credit mixes depending on the need and capabilities of the customer		21.06%		52.63%	26.31%
The trustworthy appearance of the customer plays a very important role in the amount of loan to be awarded.			2.63%	21.06%	76.31%
The payment history of a customer is also viable when accessing the customer based on giving loans			39.47%	52.63%	7.90 %
The amount owed by the customer is also used to determine whether the customer's loan will be approved.		39.47%		7.90 %	52.63%

Loans Factors

The study results are as follows: Under this variable, the researcher inquired if the customers' Trust is important when issuing loans 52.63% strongly agreed, 26.31% agreed, 21.06% were neutral. The second question asked under the variable as if the type of Security provided by the customer is important when being assessed for a loan 26.31% strongly agreed, 52.63% agreed, 21.06% were neutral, a study by Zamore et al. (2018), who established that the ability of households to borrow is a determinant of both the smoothing of consumption over the course of their lifetimes and the borrowing-based acquisition of durable goods. This ability to borrow depends, for example, on the strength of the local financial market, credit standards, the creditworthiness of debtors, and the capacity of

creditors to thoroughly evaluate the latter. The third question asked under the variable as if the customer must have a good credit score to be given a loan 76.31% strongly agreed, 21.06% agreed, 2.63% were neutral. The fourth question asked under the variable as if the loan characteristics are vital when approving the loan to a customer 7.90 % strongly agreed, 52.63% agreed, 39.47% were neutral. The fifth question under the variable as Cost of the loan is a consideration before the customer is granted the loan 52.63% strongly agreed, 7.90 % agreed, 39.47% disagreed this is shown in table 4.3.

Table 4.3: Loan Factors

Statement	SD	D	N	A	SA
The customers' Trust is important when issuing loans			21.06%	26.31%	52.63%
The type of Security provided by the customer is important when being assessed for a loan		21.06%	0(0%)	52.63%	26.31%
The customer must have a good credit score to be given a loan			2.63%	21.06%	76.31%
Loan characteristics are vital when approving a loan to a customer.			9.47%	52.63%	7.90 %
The cost of the loan is a consideration before the customer is granted the loan.		39.47%		7.90 %	52.63%

Lenders factors

On whether inflation is a consideration when processing loans 52.63% of the respondents strongly agreed, 7.90 % agreed, while 39.47% disagreed. The second question under the variable was if the Character of the borrower is also a consideration when processing loans 76.31% of the respondents strongly agreed, 21.06% agreed while 2.63% were neutral. The third question under the variable was if the amount taken for loan approval plays a key role before the loan is approved 76.31% of the respondents strongly agreed, 21.06% agreed, while 2.63% were neutral. Other studies on lenders' factor findings are in agreement with

the current findings such that findings by Nikolaidou and Vogiazas (2014) who established that the activity of the credit markets can be significantly impacted by the exchange of knowledge regarding the features of applications for credit facilities and the amount of their debt. The fourth question under the variable was if the Confidentiality of the lender is considered during the assessment of the borrower 7.90% of the respondents strongly agreed, 52.63 % agreed, while 39.47% of the respondent neutral. The fifth question under the variable was if Herd behaviour is also considered during borrowing 52.63% of the respondents strongly agreed, 7.90% agreed while 39.47% disagreed, this is shown in table 4.4 below.

Table 4.4: Lenders factors

Statement	SD	D	N	A	SA
Inflation is a consideration when processing loans		39.47%		7.90 %	52.63%
The character of the borrower is also a consideration when processing loans			2.63%	21.06%	76.31%
The amount taken for loan approval plays a key role before the loan is approved			2.63%	21.06%	76.31%
The confidentiality of the lender is considered during the assessment of the borrower			39.47%	52.63%	7.90 %
Herd behaviour is also considered during the borrowing		39.47%		7.90 %	52.63%

Access to affordable credit

The respondents were asked if the customers are able to obtain credit at an affordable interest rate. 52.63% of the respondents strongly agreed, 26.31% agreed , 21.06% of the respondents were neutral. The second question asked was if the process of obtaining credit is straightforward and transparent 26.31% of the respondents strongly agreed, 52.63% agreed, 21.06% were neutral. The third question asked was if the customers access to a variety of credit products that meet their needs 76.31% of the respondent strongly agreed, 21.06% agreed, while 2.63% were neutral. The forth question asked respondents was if the Customers are confident in the ability to manage debts and repay loans 7.90 % of the respondents strongly agreed, 52.63% agreed, while 39.47% were neutral. The fifth question asked to the respondents was if the The credit industry is regulated appropriately to protect

consumers 52.63% of the respondents strongly agreed, 7.90 % agreed, while 39.47% disagreed, this is shown in table 4.5.

Table 4.5: Access to affordable credit

Statement	(SD)	(D)	(N)	(A)	(SA)
Customers are able to obtain credit at an affordable interest rate.			21.06%	26.31%	52.63%
The process of obtaining credit is straightforward and transparent.		(21.06%)		52.63%	26.31%
Customers access to a variety of credit products that meet their needs.			2.63%	21.06%	76.31%
Customers are confident in the ability to manage debts and repay loans.			39.47%	52.63%	7.90 %
The credit industry is regulated appropriately to protect consumers.		39.47%		7.90 %	52.63%

CONCLUSIONS

The findings shows that personal credit score and access to affordable credit is significantly influenced and determined by the borrowers' factors, loan factors and the lenders' factors, and the study concludes that there is a false impression on the credit rating risk, the chances of suffering a loss as a result of a borrower's failure to make loan payments or fulfil contractual obligations; is the most significant of the fundamental risks in this country. The study concluded that NCBA Bank, Kenya engages in personal credit score by ensuring that the client credit facilities are well secured to minimize credit loss, by carrying out internal controls of the business activities, use of guarantors, incorporating the legal department to ensure that the contract is legal and binding while at the same time impose penalties on the credit facilities defaulters, as they minimize the occurrence of non-performing loans.

RECOMMENDATIONS

The success of the above-mentioned initiatives as well as the general call to improve credit access and utilization in the economy would necessitate a coordinated strategy that

incorporates the opinions of all stakeholders. All parties involved must work together, with borrowers enhancing their risk profiles and lenders better comprehending the risk exposures. The days of implementing broad-based policies are being replaced by in-depth evaluations of the market circumstances and a better effort to comprehend the increasingly complex wants of consumers.

An in-depth project to standardize the collection of financial statement data, ratio calculations, measures of the quality of the collateral (kind, lien position, loan-to-value ratio), and information on the performance of loans and deposits must be launched in order to evaluate specific banks' capacity for portfolio risk management and the development of expert-based scorecards. Through this, a pooled scorecard can eventually be created that includes not only credit bureau data but also the other essential components of a strong NCBA Bank, Kenya scoring model. Also, there's a need of developing, promoting, training programs to sensitize the policy analysts, risk managers, data analysts to be up-to date with the current trends on credit risks.

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