

**Loan Default Among Rural Savings and Credit Cooperative Societies
The Experience of Usawa Network of SACCOs**

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This study assessed the Loan Default among Rural Savings and Credit Co-operative Societies: The Experience of Usawa Network of Saccos in Kilimanjaro Region. Purposive sampling was used to select five SACCOS. This study was guided by three objectives, which are; to identify the causes of loan default in rural SACCOS using the case of USAWA, to determine the effect of loan default on financial performance of SACCOS and to identify strategies to improve loan repayment rate among rural SACCOS. The study sought to examine the causes of loan default among the selected five SACCOs from

USAWA SACCOS, researcher point out some of the causes of loan default which are; Lack of business skills, Lack of entrepreneurship, Inadequate loan follow-up, Environmental factors, Political interference and others. "The findings revealed that, from the finding majority (82.3% out of 17.7%) of the respondents agreed that loans default has negative effect on financial performance of the SACCOs. Based on the findings, the study recommends that the management of SACCOS should consider member education and training during loan repayment, SACCOS committee members and loan officer are recommended to visit the borrower business premises and verify borrowers' assets.

