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& deed*

**Microfinance in Nicaragua:
A Study of Financial Services
for the Poor**

by

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The Chalmers Center for Economic Development is devoted to assisting the Church worldwide in declaring the Kingdom of God in word and in deed. Through research and education, the Center trains college students, pastors, missionaries, churches, and ministries in bringing spiritual transformation and economic development to the poor.

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Abstract

The financial services available to the poor in Nicaragua are wide and varied. After providing a brief background and history of the country, this paper describes the presence, availability, advantages, and disadvantages of these financial services as a community development initiative. The paper concludes with the factors that lead to success in the microfinance industry from the perspectives of the microfinance institution and the client.

I. Introduction

Nicaragua is a country whose history is blotted with political and economic instability. It is the largest of the Central American countries but despite its large size and wealth of natural resources, a history of political strife, civil war, foreign intervention, and natural disaster has resulted in Nicaragua's inability to achieve political stability or economic growth. A recent study published in the UNDP Human Development Report (1999) sites Nicaragua as the poorest country in Latin America in terms of GNP, GDP, per capita income, adult literacy levels and the UNDP human development index (HDI). However, it does not rank as the poorest in terms of the UNDP human poverty index (HPI) and percentage of population under the international poverty line.

In a country where development is low and poverty is high, microenterprise and small-scale agriculture play a significant role in the economy of Nicaragua. Therefore, Food for the Hungry commissioned a study to gain a deeper understanding of the industry, the financial services available to people within the industry, and the general industry trends. The paper is not intended to be an academic essay, but rather, it intends to provide a better understanding of financial services available to the poor in Nicaragua.

The study was performed over a period of several months and involved visits and interviews with NGOs, microfinance institutions, government agencies, clients of microfinance institutions, and experts in the field. A list of the organizations and individuals interviews can be found in *Appendix A: Contacts* of this document.

The remainder of this document is organized in the following sections:

- Section I – Introduction: Provides an introduction to the report describing the sections to follow.
- Section II - Nicaragua Economic Background and History: Provides a summary of Nicaragua's history highlighting events that shaped the economy of Nicaragua.
- Section III - Nicaragua's Current Economic Situation: Describes the current economic situation of the country siting forecasts and predictions from economic experts.
- Section IV - Financial Services Continuum: Describes the range of financial services highlighting services available to people of low income in Nicaragua.
- Section V - Microfinance Trends in Nicaragua: Describes microfinance trends that have been found during the research performed over the course of one year.
- Section VI - Factors Leading to Success: Sites discussions from experts in the field and personal interviews describing factors that lead to success in the industry of microfinance from the perspectives of the microfinance institution and the client.
- Appendix A: Lists organizations, individuals, and contact information that contributed to the study through personal interviews, visits to the organization, or visits to clients.
- Appendix B: Lists written documents that were used as sources for this document.
- Appendix C: Savings mobilization program.

II. Nicaragua Background and History

Nicaragua's economic problems began during the coffee boom in the 1840s to 1940s. As coffee gained popularity in North America and Europe, commercial coffee growing became popular in and around Managua. However, Nicaraguans were accustomed to subsistence farming and cattle raising. Coffee growing required significant investment of capital and labor that they did not have. Laws favoring foreign investment and acquisition of land were passed to encourage the growth of the economy. However, the plan backfired and the economy fell into one that resembled what is commonly referred to as a "banana republic"—one whose economy is sustained by a single agricultural product run by a small elite, often foreign, group of investors.

With the banana republic came dependence on a single agricultural product and the country's economy boomed or busted based on the demand and production of that product.

Following World War II from the 1940s to the 1970s, the economy experienced high rates of growth and foreign investment. The one crop economy was diversified to include corn, sugar, and cotton. Additionally, these years saw the birth of the manufacturing industry. With the economy on an upswing, the turning point came with the December 1972 earthquake that leveled 250 city blocks. The earthquake destroyed much of Nicaragua's industrial infrastructure leaving 10,000 people dead and 30,000 homeless. Most government offices and the financial district of Managua were destroyed and a significant amount of city housing was left unstable. The result of the earthquake was not only destruction but also huge foreign deficits and inflation. Because positive GDP rates due primarily to reconstruction masked the economic downturn, by the late 1970s Nicaragua had the prestige of being the country with the highest level of indebtedness in the world. Additionally, much of the foreign money that was to be used for the reconstruction of the country was diverted into the pockets of the elite Somoza family who controlled the government.

Tired of the political policies of the Somoza regime, from 1977 to 1979, Nicaragua was involved in a full-scale civil war that resulted in even more difficulties in the economy. Due to the fighting, many foreign investors pulled out of Nicaragua, government expenditures were diverted to military expenses, and most liquid assets flowed out of the country. Following the overthrow of the Somoza regime, the economy was in the worst condition it had ever seen. The GDP shrank 25% in 1979 alone and the country's indebtedness reached an all-time high.

The beginning of the Sandinista years brought both promise and turmoil. The restructuring of the economy in 1980 brought 5% growth in the GDP. This growth slowed rapidly, however, as foreign investors were reluctant to loan to Nicaragua's state-run banks, government funds were diverted to pay for additional fighting, and United States implemented a full-trade embargo. In the mid-1980s, the Nicaraguan government decided to print large amounts of paper money that resulted in the hyperinflation of the mid-80s. The inflation rate peaked in 1988 at a startling 14,000%. It was a difficult time for Nicaragua and even the people of the educated class (i.e., doctors and lawyers) began to seek work on the streets as black marketers, street vendors, and taxi cab drivers. Cash was virtually worthless and the barter system took over as the prevailing mechanism for commerce. Although the government put programs in place to control the inflation rate, those attempts were wiped out when Hurricane Joan swept through Nicaragua in 1989.

By 1990 the Nicaraguan people were considerably worse off economically than 20 years earlier and the desperate economic situation and political turmoil resulted in the election of a new president, Violeta Chamorro, of the UNO party. While Chamorro's radical change in economic policy was a good one her political base was weak and a series of political problems and natural disasters resulted in little efforts being made toward improving the economic condition of Nicaragua.

In 1996, the current president, Arnoldo Alemán, was inaugurated in what is considered the first truly democratic elections. The past 10 years have been good in the economy of Nicaragua and in the past 4 years the economy has grown over 400%. Under Aleman's leadership the Central Bank of Nicaragua developed the Enhanced Structural Adjustment Facility (ESAF) that was presented to the IMF in 1998. The primary goal of the program is to reduce poverty and unemployment. Additionally, conditions for debt rescheduling and access to foreign aid were established.

III. Current Economic Situation

Although significant strides have been made in the past 10 years, in early 2001, poverty still remains high and confidence in the economic system of Nicaragua is still low. The following table

illustrates Nicaragua's current economic situation:

	Nicaragua	Guatemala	Honduras	Panama	Costa Rica
GNP	\$1.8 billion	\$17.8 billion	\$4.6 billion	\$8.3 billion	\$9.8 billion
Per Capita GNP	\$370	\$1,640	\$740	\$2,990	\$2,700
Inflation	12.9%	6.8%	13.6%	1.4%	12.3%
GDP	\$2.0 billion	\$18.9 billion	\$5.4 billion	\$9.1 billion	\$10.5 billion
Gross domestic savings as percentage of GDP	1.1%	7.7%	23.4%	23.5%	26.8%
Population	4.8 million	10.8 million	6.1 million	2.8 million	3.8 million
Unemployment	22.3%				
Underemployment	60%				
Adult Illiteracy Rate	32.1%	32.7%	26.6%	8.6%	4.7%
No access to clean water	22%				
Do not live past age 40	12.2%				
Under poverty line (less than \$2)	70%				
Life Expectancy	67.9	64.0	69.4	73.6	76.0
HDI	116	120	113	59	48

Recent bank failures, high debt and low reserves indicate that Nicaragua's economy remains fragile. Insufficient economic growth over the past 5 years indicates that Nicaragua is still a very poor country. It is recognized by the UNDP as a highly indebted poor country (HIPC) and despite implementation of the ESAF poverty is still high. If the poor economic growth of the past 5 years continues Nicaragua will continue to be a poor country at least for the next 30 years (Avendaño, 2001).

IV. Financial Services Continuum

It is necessary in a country of individuals with varying income levels to provide a range of services that meet the diverse financial needs of the country's population. The three basic financial services should include savings, credit and insurance on a large, medium, small, and micro scale. Because the research performed focused on banking services, insurance has not been included in the remainder of the document.

The figure below depicts a continuum of financial institutions/services that provide savings and credit services.

Services found toward the left side of the continuum provide more formal financial services that are generally regulated by the country's Central Bank. These formal financial services often service the middle to upper class portion of the population. Moving to the right of the continuum the services provided become less and less regulated (or more informal). These less formal types of financial services are generally thought of as poor-friendly and offer services specifically to meet the needs of the low-income population.

Nicaragua is no different in that the full range of financial services displayed in the continuum is provided. The remainder of this section describes each financial service and their characteristics in Nicaragua. Special emphasis has been placed on describing the variety of services offered within the service of microfinance institutions.

A. Banks

Definition

A bank is a formal financial organization regulated by the Superintendent of the Central Bank of Nicaragua. Banks are permitted to provide all types of financial services, have regulated reserve rates, and regulated interest rates.

Presence in Nicaragua

Like most countries, Nicaragua's banking market is managed by a central bank. The Central Bank of Nicaragua was established in 1950 but remained a state-run entity until 1992 when President Aleman privatized the banking industry. Therefore, the Central Bank of Nicaragua can still be considered somewhat fledgling in its role.

The Superintendency of Banks and Other Financial Institutions was established in 1991 with the assistance of USAID and the Interamerican Development Bank. It is the independent regulatory agency responsible for establishing prudential norms, granting operating licenses, and related supervision duties for banks, non-bank finance companies, leasing firms, insurance companies, bonded warehouses, and the stock exchange. Its organic law gives it broad enforcement authority, ranging from fines to revocation of operating licenses.

The Nicaraguan banking system was privatized in 1992 after President Alemán was elected. However, the hyperinflation of the 1980s, the state-run banks of the Sandinista era, and an extremely weak economy left consumer confidence low and the fledgling banking system hardly had a chance to get off the ground. In the early 1990s when the Superintendency of Banks was still new, 12 banks were established in a period of 3 years. Many of the banks (according to sources from ASOMIF) received outside funding but had little to no technical support or experience in the banking industry. The result was a number of very fragile banks. As would be expected, this led to a series of bank failures resulting from poor financial management as well as corruption within the bank. Now, faith in the banking sector is extremely low among the upper, middle and lower classes alike. Following 5 bank closures in the past 3 years, there remain 7 commercial banks currently doing business in Nicaragua.

As mentioned previously, the formal banking system is criticized for being inaccessible to people of low income. Two factors play a role in this inaccessibility. First, commercial banks often require a minimum balance of C\$1,000 which is generally thought of as out of reach for people of low income. Some banks (i.e., Banco de Finanzas) have lowered their minimum balances to C\$50 as a step in making their services more accessible to people of low income. This is definitely a step in the right direction, however, the second, and perhaps bigger hurdle, is the psychological barrier. People of low income do not feel comfortable in formal banks. They do not understand and do not trust the system. Some even feel unworthy or shameful about entering into a formal banking institution.

B. Cooperatives and Credit Unions

Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Some cooperatives include member-financing and savings activities in their mandate.

A credit union is a democratic, not-for-profit, self-help financial cooperative. Each is owned and governed by its members, with members having a vote in the election of directors and committee

representatives. It is organized by and comprised of members of a particular group or organization, who agree to save their money together and to make loans to each other at reasonable rates of interest. The members are people of some common bond: working for the same employer; belonging to the same church, labor union, social fraternity, etc.; or living/working in the same community.

Presence in Nicaragua

In Nicaragua, the term cooperative is used to refer to cooperatives and credit unions. They are often very large and very strong and are regulated by the Superintendent of Banks. The World Organization of Credit Unions (WOCU) is working in conjunction with US AID in an effort to strengthen the efforts of cooperatives in Nicaragua. Cooperatives are permitted to offer both savings and credit services to their members. That is to say that mobilization of savings is allowed but must be lent only within the partnership.

Members of similar interests such as agriculture or commerce usually form cooperatives. Therefore, even savings and loan cooperatives often provide services such as technical assistance to their members.

C. Microfinance Institutions

Microfinance institutions (MFIs) are non-regulated non-governmental institutions that provide financial services at a micro-level. They are specifically targeted to meeting the needs of low-income people. These organizations are usually permanent and are seeking ways of reaching sustainability. There are several methodologies that are utilized by MFIs. The remainder of this section provides of a description of the popular methodologies used in Nicaragua.

1. Individual Lending

Definition

Individual lending is the most formal and straightforward of the microfinance lending models and most closely approximates traditional commercial lending in a formal financial institution. It does not include the formation of groups, or generating peer pressure to ensure repayment. Instead, collateral or cosigner are usually required for loan approval.

The methodology requires close loan officer/client interaction and is usually most successful in urban or urban-like settings. The loan officer/client relationship is key to the successful implementation of this model. As loan officers work with clients for a number of cycles they become familiar with and understand the specific needs of each client. It is with this understanding that they are able to tailor the loan to the individual.

Presence in Nicaragua

The individual lending model is very popular and is considered the predominantly used model in Nicaragua. Most organizations interviewed offer individual lending as a part of their product line and some exclusively offer individual loans.

Individual lending is considered the most expensive form of microcredit. However, organizations in Nicaragua believe that they have to offer individual lending in order to remain competitive with other microfinance institutions. One article explains that the individualism of the Nicaraguan people and the high degree of mistrust even among people within the same community results in skepticism to other lending methodologies such as solidarity groups (Revista).

Because the requirements for attaining an individual loan usually include collateral or a cosigner, many development workers complain that this type of microcredit is inaccessible to the poorest of

the poor.

Advantages and Disadvantages

Advantages	Disadvantages
Responsibility is clearly in one place	Requirement for heavy individualized client attention requires that loan officers manage less than 100 clients each.
Least risky because of requirements for collateral or cosigner	Does not provide a means to build social capital—community
Size and term can be tailored to meet the individual client needs	Often does not reach the poorest of the poor
	Longer loan approval time is usually necessary to make visits to client's business and home and perform analysis of financial capacity

2. Village Banking

Definition

Village banks are community-based credit and savings associations. They typically consist of 25 to 50 low-income individuals who are seeking to improve their lives through self-employment activities. The Village Bank is usually formed by extensive help from NGOs and other organizations, who also train the community members in various financial activities required to run the bank. Initial loan capital for the village bank may come from an external source, but the members themselves run the bank: they choose their members, elect their own officers, establish their own by-laws, approve/disapprove loans, distribute loans to individuals, collect payments and savings. Their loans are backed, not by goods or property, but by moral collateral: the promise that the group stands behind each individual loan.

Over time, the goal is to capitalize an internal account, eventually eliminating the need for loans from the external microfinance institution. In other words, the Village Bank reaches a point of self-sufficiency where the microfinance institution is no longer needed. The capitalization of an internal fund is key to financial independence and autonomy. The Village Bank uses a variety of means for building up their internal fund. The first and most encouraged is the capture and mobilization of client savings. Client savings can be lent to members or clients of the Village Bank as a means of rapidly increasing the internal fund. Additionally, many Village Banks charge their members a higher interest rate (usually an additional .5%) than is charged by the microfinance institution. This interest spread is used to build their internal fund more rapidly. The goal for the Village Bank is to reach a point of self-sufficiency within 3 years.

Presence in Nicaragua

The Village Bank methodology was popularized and utilized in Nicaragua by the international organization Finca. However, there are few organizations that use the Village Bank methodology in its purest form. A modified Village Bank methodology called Community Bank, which will be explained in a later section, is used more commonly.

People in the industry speculate that Village Banking has not seen as much success in Nicaragua as in other Latin America countries because of the moral collateral that is required. The success of the Village Bank depends on the members' ability to place peer pressure on non-paying members of the group. Nicaraguans have not been successful at placing this pressure on group members primarily because there is no shame associated with the inability to repay a loan. So many people are in a position where they are over their head in debt that they understand and

sympathize with others that cannot repay their debts. They do not fault the individual, but rather, the overall economy of the country. Secondly, a history of failed loan programs has given many Nicaraguan borrowers the idea that loans are really hand outs that are funded by donors with deep pockets. Therefore, there is no incentive to pressure group members to repay their debts. Finally, in the late 80s when the Sandinistas came into power, they forgave a lot of debts and instilled in people a mentality that debts do not have to be repaid.

Advantages and Disadvantages

Advantages	Disadvantages
Provides a mechanism for building social capital and community trust through group meetings	Requires a significant amount of education on the part of the bank leaders
Goal of independence from the MFI resulting	Requires strong and trustworthy leaders that are willing to stand up to community members and place pressure on them if they do not pay
Accessible to the very poor because there are no collateral or cosigner requirements	
Provides a mechanism for savings	
Provides a feeling of ownership since bank members/leaders manage the fund making decisions to approve or disapprove loans	
Lower cost for the microfinance institution	

3. Community Banks

Definition

The Community Bank methodology is a marriage of the Village Bank methodology and the individual lending methodology. Like Village Banking, the Community Bank receives financial and training assistance from an NGO, MFI or other organization and is responsible for all the activities of the bank: they choose their members, elect their own officers, establish their own by-laws, distribute loans to individuals, collect payments and savings. In the Community Bank, however, each individual soliciting a loan is required to provide collateral or a cosigner for loan approval. Additionally, the MFI retains the ultimate decision on loan approval.

Presence in Nicaragua

The Community Bank methodology is very popular in Nicaragua particularly in rural areas. The end goal of a Community Bank, similar to Village Banking, is that the bank would build up enough of their own capital to be able to loan from their internal fund thus becoming independent of the microfinance institution. While there are many institutions that employ the Community Bank methodology, very few have reached the goal of developing truly independent Community Banks. Experts in Nicaragua speculate that there are two main barriers that stand in the way of the Community Bank's ability to attain self-sufficiency. First, the capitalization of the Community Bank requires a significant amount of savings from every bank member. This is one of the few methodologies implemented in Nicaragua that encourages savings. However, it is said that the culture of savings does not exist in Nicaragua. Therefore community banks face the difficulties of changing the savings-averse culture and competing with other methodologies that do not require savings. The other major barrier preventing the success of community banks is the low educational level of the campesinos. Because the average member of a community bank has not completed primary school, the bank remains dependent on the MFI loan officer for administrative and financial assistance. Many microfinance institutions state that the educational barrier is bigger than the financial one.

Of the organizations visited, the ones that run community banks stated that they have had more success with community banks than with other group lending schemes. However, most of them admit that the community banks are far from being independent. They depend on the microfinance institution for administrative assistance as well as funding. The one exception was the organization called Asociación Cristiana de Jóvenes (ACJ). This organization receives their initial funding from the Christian Reform World Relief Committee (CRWRC). ACJ works with the community banks to ensure that they repay the loan from CRWRC and also build up sufficient capital to be independent within 3 years. So far, ACJ has several banks that have completely repaid the loan to CRWRC and are running completely independently with funds capitalized internally during the 3-year period.

Advantages	Disadvantages
Provides a mechanism for building social capital and community trust through group meetings	Requires a significant amount of education on the part of the bank leaders
Possibility of independence from the microfinance institution	Requires strong and trustworthy leaders that are willing to stand up to community members
Reaches very poor people	Still requires collateral or cosigner
Provides a mechanism for savings	
Provides a feeling of ownership since bank members/leaders manage the fund making decisions to approve or disapprove loans	
Lower cost for the microfinance institution	

4. Solidarity Group Lending

Definition

The group lending methodology was popularized in Latin America through the international organization FAMA. In the group lending methodology, a group of 3 to 10 individuals apply for and receive loans individually. The group is used simply as a means of mutual guarantee. All members of the group are held responsible for the full amount of the group loan and if any member defaults the rest of the group must pay. In the group lending methodology there is usually no collateral or co-signer required because the group members are co-signers for one another—hence the name, solidarity group.

Presence in Nicaragua

Although many organizations in Nicaragua offer (or offered) group lending as a method for receiving a loan, it has become an increasingly unpopular form of credit in Nicaragua. Many people have had negative experiences with solidarity groups and feel that if they can get an individual loan (either directly from the MFI or through the community bank) then they are better off. The individualism of the culture makes them more inclined to take responsibility for only their loan amount.

Many say that the group lending methodology is not appropriate for the culture of Nicaragua. Because of the individualism of the people, borrowers are unwilling to take on the responsibility of another group member's loan; particularly when the group members do not know each other well. Experts say that the group lending methodology works best with a small group that live close to each other and know each other very well (i.e., trust already exists).

The difficulty of group lending is finding a group of 3 people in the community that trust each other very well and all need loans at the same time. What has been known to occur is that one person

needs a loan and goes to find 2 others to join their group. Two situations have been known to follow. First, the one in need of a loan finds two good friends to join the group although they do not really need loans. The second is that the one in need of a loan finds two other people in the community that need loans but they do not know each other well. Either of these two situations usually ends with problems.

Of the successful groups that I have met with, many have still gone to individual lending once their loan amounts became higher and they had a proven track record with the MFI and could get approval for an individual loan. As such, group lending is often seen as a stepping stone to the more prestigious and attractive individual loan.

Advantages and Disadvantages

Advantages	Disadvantages
Builds unity if successful	Has been known to break up friendships and communities when unsuccessful because if one group member does not pay the others are held responsible
Reaches the very poor because collateral and cosigner are not required	Requires trust among group members
Costs are lower for the microfinance organization	Has a negative reputation
	Loan amounts are relatively small and must be at the same level of others in the group

Even organizations like FAMA that popularized this form of lending in Latin American have diversified their product mix because of the negative feelings toward group lending in Nicaragua. After FAMA had negative experiences and bad publicity with their group lending approach, they introduced individual lending and launched an advertising campaign with signs that read: "Fama, now with individual loans!"

No one has been able to determine if group lending has become so unpopular because individual loans are so accessible or if individual lending has become increasingly popular because of the negative sentiments to group lending.

D. Pawnshops

Definition

A pawnshop is an entity that exchanges goods for cash on a temporary basis. The service is mostly targeted to people that need quick, temporary cash.

Presence in Nicaragua

Pawnshops can be found on almost every city street in Nicaragua. They exchange goods (usually gold or silver) for cash for a period of 10 to 30 days and charge 7% interest. If the client does not repay the money within the 10 to 30 day period, the goods are sold and the pawnshop keeps the profit.

Advantages and Disadvantages

Advantages	Disadvantages
Low risk for the microfinance institution	Not accessible to people who do not have gold

	or jewelry to pawn.
Quick cash for the client	Risk of losing the gold or jewelry if unable to pay within the specified period
	In some areas has a negative stigma attached to it
	Some are said to be dishonest and remove several links from gold chains prior to returning them to the client

E. Informal Savings Mobilization Groups

Definition

Informal savings mobilization groups can take on a variety of different forms. The simplest form of informal savings is the Rotating Savings and Credit Associations (ROSCAs). A ROSCA is a group of individuals that come together and make regular cyclical contributions to a common fund, which is then given as a lump sum to one member in each cycle. For example, a group of 12 persons may contribute C\$100 per month for 12 months. The C\$1,200 collected each month is given to one member. Thus, a member will “lend” money to other members through his regular monthly contributions. After having received the lump sum amount when it is his turn (i.e. “borrow” from the group), he then pays back the amount in regular/further monthly contributions. Deciding who receives the lump sum is done by consensus, by lottery, by bidding or other agreed methods.

A more complex approach to the informal savings mobilization group would be a Christmas club where everyone contributes until a given date when each person receives his/her money back (plus interest) to be used for Christmas purchases. Until the money is re-distributed, it can be lent out to group members as a means of increasing the fund. These more complex savings groups can grow over time and be converted into savings and credit cooperatives.

Presence in Nicaragua

Savings and informal savings mobilization groups, such as ROSCAs, is an area that is clearly absent from the industry in Nicaragua. During interviews with industry experts, many stated that savings are not a part of the culture of Nicaragua. The Nicaraguan people believe that they are poor and because they are poor they believe that they cannot save.

Informal savings mobilization groups, however, provide a mechanism for poor people to save in a safe and effective environment. This is an area where churches and community development workers can safely enter the microfinance industry in Nicaragua. Appendix C, Savings Mobilization Programs, provides a brief description of savings mobilization programs and the steps that can be used to begin a savings mobilization program in a community.

Advantages and Disadvantages

Advantages	Disadvantages
Can be very simple – no education needed	Requires a group of people that trust each other
Develops a culture of savings	Requires patience because it takes time. People do not like to do things on a small scale.
Does not require funding from outside	Lack of culture of savings will make beginning a savings mobilization project difficult
Can be developed into a community savings and loan cooperative with time	

Can service the very poor to the very rich. Some ROSCAs have 10 members contributing C\$10 per week, others have 10 members contributing US\$100 per week	
Provides an opportunity for the church to work in microfinance	

F. Money Lender

Definition

The moneylender is a non-regulated entity that loans money to individuals (usually in the form of dollars) for extremely short periods of time with exceedingly high interest rates. Although the moneylender provides needed capital in times of personal emergency (without asking questions about the money's use), there are few that can truly support the fast turnaround and high rate of interest. They are usually thought of as usurious and exploitative.

Presence in Nicaragua

In Nicaragua there is hardly anyone that does not know or have access to a moneylender in their barrio or market. They are invisible to the outsider but ever-present to those in need or owing money. The moneylender's strength lies in his daily personal presence in the area where he works and knowledge of individuals he lends to.

Moneylenders in Nicaragua are said to charge up to 20% interest for a term of 1 to 2 months. They are unreasonable and inflexible in negotiating loan terms and prey on people in times of personal financial emergencies. Most people see the moneylender as a last resort as there is a negative stigma attached to borrowing from a moneylender.

Advantages	Disadvantages
Cash is received very quickly	Extremely high interest rates
Accessible and convenient—money lender comes directly to you and brings you the cash	Moneylender is not willing to restructure the loan if the borrower cannot pay. They go directly to the borrowers house and begin taking things
	Negative stigma attached
	Short and inflexible loan terms

V. Microfinance Climate in Nicaragua

In Nicaragua microfinance is abundant in certain areas and lacking in other areas. There are an estimated 30 organizations that offer financial services on a micro-scale providing approximately \$55 million of financial services to 158,000 clients around the country. However, it is believed that these services cover less than 50% of the demand for microfinance services in Nicaragua. Figures from ASOMIF estimate that the demand for rural microfinance is approximately 140,000 while in the urban area it is as high as 159,000. Figures estimate that Nicaragua could sustain an estimated \$267 million of micro-loans to cover the full demand. (ASOMIF, page 10)

While it is true that there is a lack of services available in some areas, other areas are completely saturated. There are at least a dozen organizations offering credit in the three main markets of Managua. Although figures could not be attained to verify the theory it is believed that more than 50% of the microfinance in Nicaragua takes place in Managua leaving outlying departments unserved.

Nicaragua is one of the first Latin American countries to have an oversight body to unite the microfinance institutions. The Asociación Nicaraguense de Instituciones de Microfinanzas (ASOMIF) was established in 1998 and consists of 18 member organizations that service an estimated 124,000 clients. ASOMIF's goal is to establish laws that regulate microfinance institutions, protect the rights of microentrepreneurs, and unite MFIs in a single voice for stronger lobbying power with the government.

Microfinance services exist at all levels from the formalized microfinance institution to the credit line at the local pulperia. There are several trends that have been noted during the year-long research in Nicaragua.

A. Individual Lending Most Popular

In Nicaragua, individual lending is the most widely offered lending methodology. Group lending and village banking methodologies have not seen the widespread success in Nicaragua as in its neighboring Central American countries. As mentioned previously, it is unclear why the individual lending methodology has gained such popularity but industry experts provide the following theories:

- Negative Experiences With Group Lending: The initial failures of the group lending methodology have influenced borrowers' disinclination toward these methodologies. In almost every community in Nicaragua, there are stories of failed groups where one or two group members did not pay leaving the other group members responsible for their debt. As a result of these experiences, community members have come to the conclusion that they cannot trust others and that individual lending is better because they are responsible only for themselves.
- Abundance of Access to Individual Loans: To remain competitive, almost all MFIs in Nicaragua have begun to offer an individual lending product. Requirements for approval of an individual loan are relatively easy to meet. Additionally, individual loan terms are more flexible and can be tailored to the individual business.
- Higher Loan Amounts: Most organizations that offer group loans place loan limit of 3000 cordobas (approximately \$225) per group member. This attaches a negative stigma to group loans. People believe that only people with relatively unsuccessful or small businesses participate in group loans. But the more successful businesses "graduate" to individual loans.

B. Lack of Savings Products

Savings products in Nicaragua are virtually non-existent in the microfinance industry. There is currently only one microfinance institution that offers a separate savings product. Some methodologies, community banks in particular, encourage savings within the context of credit but there is no significant emphasis placed on the savings component.

- MFIs Cannot Legally Mobilize Savings: One reason for the lack of savings products is that only formal banking institutions regulated by the Superintendent of the Central Bank of Nicaragua can legally collect and mobilize savings. Because MFIs are not formal, regulated institutions, they cannot offer a savings product. There is one organization, ACODEP, which offers savings in their product line. However, they do not mobilize the savings in the form of credit. The product is considered a loan guarantee fund and serves as collateral for the client's loan. When the loan is repaid the deposits to the loan guarantee fund are returned.
- Lack of Desire to Save: One interviewee referred to Nicaraguans as having a "live for today" type of culture. Long term planning and preparation are rare elements of the culture of Nicaragua. In the case of emergencies, there is always a neighbor, family members, or friend that will help bail them out. As a result, Nicaraguans do not recognize their own need

to save.

- Lack of Trust in Savings: During the times of the Sandinistas, many people lost their life savings when the Sandinistas took over. As a result, Nicaraguans have little trust in the formal banking system and do not have a safe place to save. This problem in conjunction with the lack of desire to save leads Nicaraguans to believe that they are better off spending their money when they have it.

C. Formal Banks Work in the Microfinance Industry

Although the formal banking sector has been criticized for being unfriendly toward people of low income, there are several formal banks that have services specifically targeted toward serving the poor. The best known of these formal banks was Banco del Café. More than 50% of the number of loans in their portfolio valued less than 5000 cordobas (approximately \$375). However, Banco del Café collapsed and declared bankruptcy in one of the biggest banking scandals in 2000. Mismanagement and corruption were cited as the cause for the bank's collapse.

The other two banks well known for working with the poor are Confia and Banco de Finanzas. Confia was formed as a merger between the MFIs CHISPA and MEDA. Following the merger of the MFIs Confia became a formalized bank and is currently regulated by the Central Bank of Nicaragua. Banco de Finanzas is a commercial bank that has targeted service to the poor due to the great market need. A savings account can be opened with a minimum balance of only 50 cordobas as compared to the 1000 cordoba minimum of other banks. Additionally, they have Christmas funds with weekly deposits of C\$5, C\$10, C\$50, or C\$100 per week. Because Banco de Finanzas is a regulated institution, they can legally collect savings and are the only organization found in Nicaragua to provide this type of micro-savings service.

D. Large Organizations Dominate the Market

As mentioned previously, the microfinance market is serviced by approximately 30 microfinance institutions working around the country. However, the market's six large players (FAMA, Finca, ASODENIC, ACODEP, FDL Nitlapan, Prestanic) dominate the industry servicing over 80 percent of the total microfinance loan portfolio. Industry experts are predicting the disappearance of smaller MFIs within the coming years. If MFIs cannot grow to service at least 5,000 clients then it is likely that they will be unable to compete with the larger MFIs and will eventually disappear.

VI. Factors That Lead to Success

There are many organizations that have implemented a variety of different methodologies to achieve success. This section attempts to uncover the secrets of success of the microfinance industry in the Nicaraguan context.

A. Microfinance Institutions

Viability and impact are the two main factors used in measuring the success of a microfinance institution. David Hulme states that if both impact and sustainability are attained then the MFI is considered to have a beneficial impact as it has improved the financial market in a sustainable fashion (Hulme).

- Viability: the organization's ability to continue functioning independently for an extended period of time.
- Impact: the organization's ability to meet their vision and mission. For some organizations this may include in addition to reduction of poverty other social concerns such as promoting Christianity, implementing new agricultural techniques, or improving health in the communities.

1. Viability

Viability refers to the institution's ability to continue functioning independently for an indefinite period of time. It is important because clients come to depend on the services provided by the microfinance institution. If the organization cannot sustain itself then it will leave many clients in a worse position than if the MFI had never existed. Two aspects should be considered when thinking about self-sufficiency. Financial viability deals with the organization's ability to meet their goals while covering their costs and making their services affordable to their clients. Managerial viability looks at whether solely national staff can manage the MFI or whether there is a dependence on assistance from non-national staff (i.e., expatriates).

Attaining self-sustainability is still a challenge for many institutions. But one advantage is that many organizations have already reached a degree of managerial self-sufficiency. All the large MFIs are run by national staff and even those linked with international networks run relatively independently. Therefore, the real self-sufficiency issues are financial. Almost all of the large MFIs receive funding from donor agencies outside of Nicaragua. The majority of the funding, however, is limited to use in the rotating loan fund. As such, organizations are usually covering their operating costs but rely on donations to fund their rotating loan fund. None of the organizations visited are borrowing funds for the rotating loan fund, but rather, are completely reliant on donor money.

The following common characteristics were found in organizations that are strong in financial viability:

- **Economies of Scale:** Economies of scale is the economic theory that states that the cost per unit decreases as the total number of units produced increases because fixed costs remain the same. This theory holds true for microfinance institutions as well. The cost of attending each client decreases as the total number of clients is increased. Therefore, MFIs that have successfully reached financial viability generally have a large clientele. MFIs that service less than 1,000 clients will have difficulty reaching self-sufficiency.

As mentioned previously, individual lending prevails in Nicaragua's market. If institutions expect to reach economies of scale they must balance their individual loan portfolio with an equal number if not more of clients serviced by group lending or village banking methodologies. The overhead associated with attending to individual loans is extremely high and is believed to be the reason that many organizations cannot reach operational viability.

- **Diversified Portfolio:** Many institutions have goals of reaching the "poorest of the poor" or reaching the much-needed agricultural sector. However, MFIs have recognized that they have difficulty staying afloat while attending only to these high-risk sectors. Therefore, successful MFIs diversify their portfolio taking on low-risk commercial clients for larger loan amounts that help to balance the risk of attending to the agricultural sector. It is even necessary at times to charge lower interest for high-risk agricultural credit because clients cannot afford high interest rates. The organization then makes up the difference by charging a higher interest rate on their commercial loans which are often less risky but it is a sector that can afford to pay a higher interest rate. As such, a diversified portfolio helps to manage risk and provides a mechanism for MFIs to reach sectors that are less financially rewarding.
- **Concentrated Geographic Area:** To manage the cost of attending a large number of clients, MFIs work in very concentrated geographic areas. Markets are a perfect example of this. A loan officer can visit 40 clients (10 minutes each) in one day if they are concentrated in the same location. The travel time and cost is minimal between clients. When broader geographic areas are serviced, loan officers need good modes of transportation such as motorcycles to reduce the overhead lost in travel between clients.

2. Impact

Impact refers to the organization's ability to meet its goals stated in their vision and mission statements. Impact can be considered the organization's bottom line for existing. The following characteristics were identified as keys to successful organizational impact.

- Clear and Compelling Vision: Vision is the force that drives the organization and its reason for existence. Institutions with a clear and compelling vision were more effective in making their desired impact. Each member of the organization from director to promoter to cashier should be able to articulate the institution's vision statement.
- Strong Promoters: Promoters are the face of the institution to the clients. They need to be hard-working, capable, and personable. It is essential that the promoters believe in the organization's mission and have a personal conviction about the work that they do. Additionally, promoters should have enough knowledge of the client's business to gain the respect of the client. For example, in an organization that works heavily in agricultural credit, the majority of the promoters should have a background in agriculture and be able to assess the client's business from both a technical and financial perspective.
- Association with Social Programs: Many microfinance institutions have a social mission as well as a financial goal for their clients. For example, some institutions may want to promote better agricultural practices while others may be interested in improving the health within a community. Institutions that have a social mission should not attempt to attack both the social and financial aspect. More success has been achieved through setting up partnerships. For example, Fundacion 4i2000 has partnered with World Vision for their agricultural clients. One requirement for being approved for credit with Fundacion 4i2000 is that the client receive technical assistance in the form of training with World Vision. This arrangement has been very successful.
- Diversified Services: Most MFIs have recognized that working with a single methodology alone is very difficult. Most offer individual lending along with solidarity group or community banking methodologies. Each client is assessed to determine which service type would best fit the needs of the business or individual. Providing a range of services ensures that the appropriate methodology can be applied to each client.

B. Clients

One of the biggest challenges of the microfinance industry is the ability to measure success in clients serviced (Hulme). Aside from the difficulties of collecting the necessary client data, assessors face the issue of identifying the criteria used to measure success in a client. During interviews with several MFIs, the following factors were identified most consistently as the criteria used to define success:

- Economic: Economic success is the factor most often considered when looking at microfinance clients. It refers to the overall success of the client's business and the client's ability to grow and sustain the business.
- Household: This factor refers to the client's ability to build a better future for himself/herself and his/her family.
- Social: Social success looks at the client's ability to relate to others in his/her community, the development of strong leadership within the communities where the organization works, and the independence of clients.

1. Economic

Economic success is usually the factor that receives the most attention in the microfinance industry. It refers to the client's ability to repay their loan on time, expand their business, and, in

general, break out of the cycle of poverty. The following commonalities were found among the most economically successful clients interviewed:

- Good Administration Skills: The consensus arrived at by business owners, loan officers, and directors of organizations was that good administration skills are the most important factor of running a successful business. Whether in commerce or small production the basics of price setting, managing sales, and controlling expenses are critical to success. Many MFIs offer training on these types of basic business administration skills. However, it is clear that some people are not gifted in the area of administration. As such, it should be clearly stated that microenterprise is not for everyone.
- Diversity of Business: The most economically successful clients were those that diversified their business well. The perfect example of diversification is the pulperia (Nicaraguan convenience store). Pulperias are successful because people within the community know that they can find whatever they need just around the corner. Another form of diversification is the client that changes their inventory by season – suntan lotion and beach towels during Semana Santa; notebooks, pens, and uniforms for the beginning of the school year; and teddy bears and ladies' clothes for mothers day. However it is done, diversification results in success. Effective diversification usually requires that clients have a good understanding of market trends, are creative, and take initiative to make changes in their business.
- Vision of Future: When clients were asked how they defined success in their business the majority stated that it is the ability to pay back their loan on time and the ability to continue working. Very few of them had long-term vision for how they were going to grow and expand their business. When asked about their future plans, there were few that could articulate how they wanted to improve their businesses and their lifestyles. However, most successful clients had clear goals and a strategy for reaching those goals. Paying back a loan was not an end in itself, but rather, the loan was simply a means to a greater end.
- Hard Work: There is no substitute for good old fashioned hard work in building a successful business. Agriculture is an excellent example of how those willing to work hard were successful while those unwilling to put in extra labor had failed crops. In agriculture rain is essential. However, it is impossible to predict when the rain will come and how much. Those that left irrigation up to Mother Nature were likely to lose entire crops if the rain did not come as expected. However, those that were willing to put in the extra effort and irrigate – even by hand if necessary – reaped the benefits when others did not.

2. Household

Experts in the microfinance industry have stated that the bottom line in microfinance is not the success of the business itself, but rather, how the client uses that success to improve the future for his/her household. Over the past year, clients have been asked how they translate a successful business into a better home.

- Belief that Future Can be Better: One of the biggest challenges facing development workers in Nicaragua is the fatalistic beliefs of the Nicaraguan people. One can have a successful business, but without a belief that the future can be shaped extra money earned is wasted on unnecessary things. (translated from La Revista) Therefore, one of the critical factors in household success is the client's belief system. The belief that they are not "stuck" in the situation that they're in, but that they can change their future and make it better for their children.
- Savings: As stated earlier, many believe that savings does not play a part in the culture of Nicaragua. During the interviews every client was asked about savings. The majority stated that they did not have any but when pressed admitted that they kept some money hidden in the house for emergencies. It was those that were serious about saving that demonstrated

household success. They may not have saved in the form of money or in a bank account but they saved. Some saved by buying wood or cement blocks. When enough materials were accumulated the family added onto their home. Some saved in the form of pigs or chickens. When an emergency occurred they sold them to pay for the emergency expense. The propensity and ability to save made these clients' households unique and successful.

- Diversification: Households were successful when income was generated from more than one activity. Dependence on a single source of income can be dangerous at any income level but is particularly risky for people of low income. Therefore, families with a variety of income-generating activities saw more household success.

3. Social

“Social capital” is a term used by many in the development industry. It refers not to the economic situation of an individual, but rather, the social dynamics that surround him/her. It refers to the relationships that are developed within the family and the degree of trust and confidence built among community members. Sociologists studying Nicaraguan culture state that Nicaragua is a country broken by its history, where corruption is high and trust is low. (La Revista) In this type of environment, social capital is not easily developed.

- Strong Local Leadership: Community leadership is key in bringing about good social development. In every community bank that was successful, the leaders of the bank were honest, trustworthy, hard working, and capable. Although these types of people are difficult to encounter, they are key to the building social capital. They provide an example for other community members and a successful community bank can bring pride and strength to an entire community.

Failure of the community bank, however, can bring social problems that will scar the community for a number of generations. For example, if the bank leader takes the money and runs then the entire community learns that leaders cannot be trusted. This mentality takes years to reverse.

- Start Small: One characteristic of Nicaraguan culture that was discovered is that Nicaraguans like to do things big. For example, when visiting one community, community members stated that they would like to start a rotating loan fund. They suggested that an organization could provide the initial capital of 150,000 cordobas allowing 50 people to receive loans of 3,000 cordobas. When it was suggested that a similar program could be started on a smaller scale by beginning a community savings mobilization program the community leaders lost interest. They were convinced that if the program could not service at least 50 clients at 3,000 cordobas each then it wasn't worth doing. This is one of the main problems encountered by development workers in the field of microfinance. Large sums of money are given to community leaders that do not know how to manage it. The result is another failed loan program. On the other hand, when programs were started on a smaller scale and grew as the capacity of community leaders grew the chance for success was greater. Small successes were enough to encourage the community to continue and the level of trust and social capital grew in conjunction with the size of the loan fund.

VII. Conclusion

As stated in the introduction, this study was intended to provide the reader with a greater understanding of the financial services available to the poor in Nicaragua. It was not intended to be an academic paper and therefore does not include precise figures and statistics captured through client interviews. However, it does intend to summarize the results of interviews with over 100 MFI clients and 20 loan officers, promoters and directors associated with 12 MFIs/NGOs/oversight organizations.

The study was made possible through the donations of over 100 individuals, the prayer support of 32, and the cooperation of over two dozen microfinance organizations, NGOs, and oversight bodies in Nicaragua.

Appendix A - Contacts

Organization	Contact Person	Title	Address	Telephone
ASOMIF	Magdalena Juarz	Assistant to the Director	del cine Aguerri, 1/2 c. abajo Managua	222-5012
ACODEP			Costado Norte Gallo y Villa Sur, Batahola Norte Managua	266-3592
Fundación 4i2000	Kira Lopez	Director	Policia 30 vrs. Este Masaya	522-4583
Comité de Reconstrucción y Ayuda al Desarrollo Hermanos en Cristo (CRADHC)	Edgard Aguirre	Director	Bello Horizonte, de la rotonda, una cuadra y media arriba, frente a la Hamburlooca Managua	244-4955
Iglesia Hermanos en Cristo	Carlos Maltez	Program Officer	Bello Horizonte, de la rotonda, una cuadra y media arriba Managua	0-887-7597
Finca	Francisco Samora	Program Officer	Shell Plaza El Sol 3 c sur, contiguo al gimnasio Atlas Managua	270-4114
FAMA	Victor Talleria	Program Officer	De la estatus de Montoya 3 c ½ abajo Managua	222-4994
Nitlapán	Julio Flores Coca	Director	Universidad Centroamericana Managua	278-0627
Catholic Relief Services – Cáritas Estelí	Sixta Garcia	MED Program Director		278-1108
Caruna	Manuel Aburto Cruz	Director	Calle 14 de Septiembre, Puente El Eden 5 c al oeste Managua	248-3883
ASODENIC	Jose Uolla		Ciudad Jardín	249-3085
World Relief	Kevin Sanderson	Director	Km. 6.5 Carretera Sur donde fueron Los Ranchitos 100 varas abajo Managua	265-3415
US Aid	Paul Crawford	Program Officer		267-0502 x241
USAid	Dino Siervo	Program Officer		267-0502

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Appendix C – Savings Mobilization Programs

What is a Community-Based Savings Mobilization Program?

A community-based savings mobilization program is a program where a group of individuals unite voluntarily to meet their common economic and social needs through the contribution of savings and the mobilization of these savings in the form of credit.

The benefits of a savings mobilization program as opposed to a credit program are many:

- **Builds the Habit of Savings:** Savings is a key economic element in helping individuals to rise out of poverty. The ability to handle emergencies such as family death, natural disaster, and temporary loss of income is a challenge for many low-income families and can result in temporary or permanent dips below the poverty line. Many say that the culture of savings does not exist in Nicaragua. A savings mobilization program can help to build this culture and teach the effectiveness of savings.
- **Good Repayment Rate:** Many communities that have begun loan programs have had difficulties with loan repayment. Beginning a loan program through savings mobilization usually ensures a better repayment rate because the borrowers understand that the loans are being provided not through external funds (cold money) but through the savings of community members (hot money). Additionally, if borrowers have a habit of savings it is more likely that they have the discipline necessary to repay the loan.
- **Does Not Require Outside Funding:** Because the loan fund is built-up from within the community, no outside funding is required.

How to Begin a Savings Mobilization Program?

The following section describes some basics for starting a savings mobilization program. The beauty of the program, however, is that it is flexible and should be adapted to meet the specific needs and wants of the community.

1. **Pray:** Pray and ask God if this is the appropriate step to take in the community that you are working in. Money introduces new and different temptations and difficulties into the life of community members. Ask for God's wisdom and guidance in beginning a savings mobilization program.
2. **Identify a Leader:** A community member should be identified as the leader of the savings mobilization program. Ideally, the savings mobilization leader would be a highly respected and trustworthy person other than the pastor of the church. The leader should be organized and comfortable with basic arithmetic.
3. **Identify Rules of the Program:** The leader and potentially other key members of the program should define rules for the program including but not limited to the following:
 - Target number of members in the program
 - Minimum savings amount (one recommendation would be the cost of 1 coke per family member per day). Encourage members to save as much as they can. Ask them what they can give up on a daily basis to contribute to their savings fund.
 - Savings cycle (weekly, biweekly, monthly)
 - Rules for withdrawal of savings
 - Rules for access of bank account (be sure to have a double signature bank account)
 - Rules for accounting and accountability (bookkeeping). It is usually necessary to elect a board of directors including a treasurer and a president along with having a

program leader.

- Length of savings period prior to beginning loans
- Rules for credit (# of people that can borrow at any given time, how to set loan amount, maximum loan amounts, interest rate, loan terms, late fees, etc).

4. Invite Community Members: Hold a community meeting to invite community members to participate in the program. Explain the purpose of the program and the benefits of being involved. Emphasize that there will be no external funding. All funds will be raised and mobilized from within the community.
5. Elect a Board of Directors: From among the members that have decided to join the program, a board of directors should be elected. The board of directors should include a president, treasurer, and secretary.
6. Begin Meeting: Depending on the cycle that has been decided upon, the group should meet together on a weekly, biweekly, or monthly basis to contribute their savings. A short devotional should be given in the beginning. Suggested topics include responsibility, discipline, and other topics that would support the program.

Savings Card

Name: Sally Saver

Pledge Amount: 35 cordobas per week

Date	Activity (deposit, withdrawal, interest accrual)	Amount	Total Savings Amount	Member Initials	Treasurer Initials
1-Jan-01	Deposit	35.00	35.00	S.S.	<i>Treas</i>
8-Jan-01	Deposit	35.00	70.00	S.S.	<i>Treas</i>
15-Jan-01	Deposit	35.00	105.00	S.S.	<i>Treas</i>
22-Jan-01	Deposit	35.00	140.00	S.S.	<i>Treas</i>
29-Jan-01	Deposit	45.00	185.00	S.S.	<i>Treas</i>
29-Jan-01	Interest Accrual	9.25	194.25	S.S.	<i>Treas</i>
5-Feb-01	Deposit	35.00	229.25	S.S.	<i>Treas</i>
12-Feb-01	Deposit	50.00	279.25	S.S.	<i>Treas</i>
19-Feb-01	Deposit	35.00	314.25	S.S.	<i>Treas</i>
26-Feb-01	Deposit	35.00	349.25	S.S.	<i>Treas</i>
26-Feb-01	Interest Accrual	17.46	366.71	S.S.	<i>Treas</i>
5-Mar-01	Deposit	35.00	401.71	S.S.	<i>Treas</i>
12-Mar-01	Deposit	35.00	436.71	S.S.	<i>Treas</i>
19-Mar-01	Deposit	35.00	471.71	S.S.	<i>Treas</i>
26-Mar-01	Withdrawal	-200.00	271.71	S.S.	<i>Treas</i>
27-Mar-01	Interest Accrual	13.56	285.27	S.S.	<i>Treas</i>
2-Apr-01	Deposit	35.00	320.27	S.S.	<i>Treas</i>
9-Apr-01	Deposit	35.00	355.27	S.S.	<i>Treas</i>
16-Apr-01	Deposit	35.00	390.27	S.S.	<i>Treas</i>
23-Apr-01	Deposit	35.00	425.27	S.S.	<i>Treas</i>
30-Apr-01	Deposit	35.00	460.27	S.S.	<i>Treas</i>

