

**FACTORS AFFECTING TO THE DEFAULT OF SMALL AND  
MEDIUM ENTREPRENEUR CREDIT LAUNCHING (SPECIAL  
REFERENCE TO SANASA DEVELOPMENT BANK IN  
KANTHALE)**

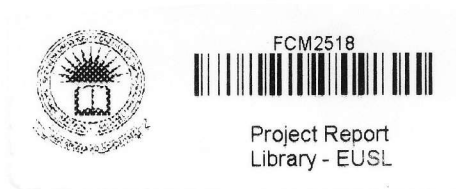


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## ABSTRACT

The study investigates the Financial Institutions Characteristics, Influence of Family, Macroeconomic Factors on SMEs loans default. There is so far lack of research has been conducted concerning the Financial Institutions Characteristics, Influence of Family, Macroeconomic Factors on SMEs loans default. This research study plan to examine that problem and fulfill the empirical gap in borrowers of loans default SANASA development bank in Kanthale.

The aim of the present research is to investigate the effect of SMEs loans default. More precisely, the study focused on evaluating the effect of selected variable on effectiveness of SMEs loans default based on theory of the moral hazard and information asymmetry theory as predictors of SMEs loans default namely; Financial Institutions Characteristics, Influence of Family, Macroeconomic Factors Primary data were collected via questionnaire. Structure questionnaire were distributing among 119 borrowers of loans default were selected out of SANASA development bank in Kanthale through population study. The data were analyzed by using descriptive, correlation analysis, simple regression analysis and multiple regression analysis.

Lastly, the result indicated that there is significant impact of Financial Institutions Characteristics, family factors and macroeconomics factors on SMEs Loan Default. The findings of this study are useful in further enlarging and enrichment applications of these concepts in practice.

**KeyWords:** Financial Institutions Characteristics, Influence of Family Factors, Macroeconomics Factors, Loan Default

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