

RURAL HOUSING LOAN FUND

RHLF 14th Annual Workshop

14 - 15 October 2010

RHLF Reporting & Lessons

From Impact Evaluation Project

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Regular Portfolio Impact Reporting



❖ **Monthly Financial & Impact Reporting**

- Management Accounts: Income Statement, Balance Sheet & Cash Flow
- DMS report: Portfolio Analysis & Collections
- Personnel Data

Reporting period – within 21 days

❖ **Quarterly Loan Book Reporting**

- Detailed list of end-user loans –
- Detailed Age Analysis

Reporting period – within 21 days of the following quarter

❖ **Annual Audited Financial Statements**

Reporting period – with six months after financial year-end

Regular Portfolio Impact Reporting

<u>DEVELOPMENTAL IMPACT</u>	Mar-08	Mar-09	Mar-10	2011 YTD
Development impact statistics compiled from monthly Housing Impact Monitoring Reports				
Number of new loans	36 310	40 537	33112	19685
Loan usage				
New House	6%	8%	3%	4%
Extension	8%	17%	8%	11%
Improvement	56%	50%	71%	61%
Services	4%	3%	2%	2%
Others (mainly education)	74%	78%	84%	79%
Repeat loan borrowers	26%	22%	16%	21%
Borrowers using loan together with government subsidy	100%	100%	100%	100%
Gender of borrower	25%	22%	29%	30%
Male	27%	28%	32%	27%
Female	48%	46%	41%	44%
Borrower's employment	52%	54%	59%	57%
Private sector	44%	43%	30%	29%
Public sector	54%	53%	68%	68%
Self-employed, informal	2%	4%	2%	3%
Borrower's income				
less than R1 500	29%	30%	45%	30%
R1 500-R2 500	14%	12%	9%	10%
R2 500-R3 500	15%	16%	8%	10%
R3 500 - R6 000	18%	22%	17%	20%
R6 001-R9 500	76%	81%	79%	70%
more than R9 500	24%	19%	21%	20%
	100%	100%	100%	100%

Regular Portfolio Impact Reporting

Continuous challenges

- Information Gathering – Application Form
 - ✓ No field for loan purpose
 - ✓ Subsections of loan usage not provided
 - ✓ Address and the Province where the loan amount will be employed not always recorded
 - ✓ Loans funded by other funders not properly flagged

Regular Portfolio Impact Reporting

We must do more to fully capture the housing outcomes:

- Should we enrich the borrower record with more demographic attributes: dependents, ages, schooling, proxies of housing & living standard and overall welfare?
- Can we systematically take digital pictures of the building work (before / after), the happy family?
- Can we link these pictures into the borrower data base: dated, indexed, searchable, with GPS coordinates even?
- What do you think is effective, feasible?
- Yes, it adds cost and effort. What is the return on investment:
 - More funding for RHLF, more funding for retail partners
 - More credibility in marketing to other development finance institutions, domestically and internationally.
 - The pride of doing good things and being able to prove it.

How to Improving Impact Reporting

- Loan Application & DMS:
 - Must have a field for Loan purpose
 - Have an address where the loan amount will be employed.
 - Include a field for Province
 - Create crystal report in your DMS to minimize delays 7 errors at month end.

Information Audit

- The quality and reasonableness of reporting by the intermediary;
- The manner in which records are kept and compiled;
- The quality and existence of source information;
- The quality of systems used to record and administer the client database that supports their debtor's records;
- That the clients Income Statement and Balance Sheet information reconciles to their trial balance;
- The reasonableness of information used to populate and support the clients' Debtors Age Analysis;
- That the clients have contracts / credit applications in place to support entries in their Debtors Age Analysis;

Information Audit



What would audit proof impact reporting look like?

- RHLF must be able to retrace its consolidated figures back to specific reports received from the retail partners.
- The monthly impact reports from retail lender, must tie back to their debtor management databases.
- Impact criteria must be captured and retained as part of the loan or borrower record in the debtors system.
- With the debtor management system data, one should be able to recreate the monthly impact reports submitted to RHLF.
- The retail Lender must be able to corroborate the debtor management impact data with source documents: application form, building material quote etc.

2010 Housing Impact Survey

❖ Fieldwork Completed

- Done on 10 Lenders.
- Covered all nine provinces.
- Expecting Draft report by 22 October 2010.
- Final Report first week of November 2010

❖ Major problems experienced:

- Not all lenders were able to present the loan book in time resulting in two weeks delay.
- Incorrect or outdated borrower contact details
- Incorrect borrower addresses
- Information about the survey failed to reach all the staff members resulting in more unnecessary delays and more costs.
- Defaulting borrowers refusing to be interviewed

