



GOOD PRACTICES - CASE IDENTIFICATION /1ST LEVEL ANALYSIS

1. Good Practice title:

Credinfo credit information system

- *sustainability and efficiency of local microfinance programs*
- *social outreach of microfinance and mitigating the negative effects of financial exclusion*
- *microfinance as a local employment tool*
- *social and technological innovation in microfinance*
- *involvement of priority groups (with special regard to gender equality)*
- *promotion of local microfinance funds and entrepreneurship initiatives*
- *OTHER good practices in microfinance provision*

2. Territory of implementation/application (country/region/...)]

Geographical coverage of FEA (75% of clients from Central Transdanubia region)

3. Timeframe:

year of introduction: year of termination: (leave 0000 if ongoing)

4. Brief description of the promoting organization:

Fejér Enterprise Agency: non-profit Local Enterprise Agency. FEA was established in 1991 by 47 founders. The founders include the local government of Székesfehérvár, the General Assembly of Fejér County, several chambers, banks, enterprises and private people.

The mission of FEA is to provide high-level, easily accessible financial, advisory and training services in Hungary to start-ups and existing micro and small enterprises operating in the Transdanubian region in order to improve their skills and abilities which enable them to make their financial situation, social standing and living conditions better.

In order to fulfill its social mission and to realize the goals set by the founders, the Foundation performs concentrated business development activity, which basically focuses on the following main fields:

- Business Development Services



- Training programmes to disseminate entrepreneurial knowledge
- Microcredit programmes to finance enterprises

5. Main objective of the initiative:

With the expansion of microcrediting activity in Hungary, and the introduction of the JEREMIE programme, the MFIs demanded a complex microcredit information system which serves both the clients and the MFIs.

FEA, together with Credinfo Ltd., designed the model of this microcredit IT system and between 2005-2010, the system was installed nationwide.

The objective of the Credinfo initiative was to create a complex, up-to-date IT system for both MFIs and client enterprises. Previously, IT systems only catered for the creditors' needs, in other words, it only recorded loans and ensured the related MIS, and provided information for strategic planning and for the donors. However, clients also wanted to receive electronic services. They wanted to access their own loan account online, where they could check their in-payments, and they could initiate various credit modifications electronically, for example, they could renew their loan.

6. Brief explanation of the initiative:

CREDINFO is a microfinance administration system tailor made to the needs of the MFIs. It is easily adaptable regardless the country, language or legal environment. CREDINFO is in line with the European recommendations for MFIs, regarding data protection and information flow. In Hungary, it ensures the daily data flow with the Jeremie fund manager. Every module of the system can run from internet browser, so there are no specific system requirements.

CREDINFO consists of a front office and a back office application. The most important functions of the front office are: on-line loan application and credit assessment modules. The back office is a credit recording system which works independently in case of each MFI. The system is easily adaptable without major installation costs. CREDINFO is being constantly developed and each client has access to the new developments. CREDINFO is an effective tool to foster local economy. Loan assessment becomes faster, and companies have bigger opportunities to expand their businesses.

7. Target group and measures to involve the target group:



The system provides services for three target groups: clients, credit advisors and MFIs. By clients we mean SMEs and microenterprises. Credit advisors also include credit brokers and book-keepers.

All the three target groups can benefit from four basic functions:

- They can submit loan applications online
- They can create a financial analysis for themselves or their clients
- They can search for or mediate clients or business partners, and
- They can create a micro-site for themselves or their clients

8. Innovativeness:

Innovative elements of the initiative or other distinctive features compared to other previous programmes:

- The system is adapted in the SaaS model: without initial investment for the MFI, for affordable monthly subscription fee
- It can be easily adapted to different environments (countries)
- MFIs can get up-to-date information on their financial and social performance
- The system supports the loan application (remote service)
- Clients can submit loan applications without limits (any time, anywhere)
- Possibility to access the credit account and query modifications on-line
- Company data sheets: possibility to create an introduction site for the company (business development services)

9. Outcomes:

Specific indicators:

- No. MFI users: 19
- Total no. of users: 31
- No. of client enterprises: 15.160

Identified success factors of the initiative:

- User friendly system with remote help
- Management information system on the whole microfinancing system and the performance of the MFI
- Easy to adapt and use: Different modules of the system can be installed independently
- Offering free financial analysis to companies (credit worthiness check, even without loan application)



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