

Palestine for Credit & Development: Endless Giving

Professor Samir Abuznaid ♦

Institutional Profile:

Palestine for Credit and Development (FATEN), is an independent, Palestinian not for profit corporation fully dedicated to providing micro-finance services. It emerged out of a micro-finance program; the Group Guaranteed Lending and Savings (GGLS) program, launched in Palestine by Save the Children (US) in January 1995. FATEN was registered under no. 563124478 of the Commerce and Shareholder Companies Registry in July 1998 and became fully responsible for the management of the whole program on the 1st of March 1999.

(FATEN) is an Arabic name for women, which means most beautiful. The name was decided following the founders meeting in Ramallah at the early stages of FATEN formation.

FATEN's management:

Following series of meetings in early 90's between FATEN assembly, FATEN board members were chosen in free and democratic election in 1995 in Cyprus under the auspice of save the children.

Board members constitute a broad spectrum of Palestinian society from west bank and Gaza (see table 1 below) the board members make the responsibility for the operations of FATEN

Table (1) FATEN board members

Name	Profession	Status
Salah Abdel Shafi	Director of Gaza Center for Mental Health Program	Chairman
Heyam Qa'aqour	Lawyer - Women Center for Legal Aid & Counseling - Hebron	Member
Hussam Abu Daqqa	Operations Analyst - World Bank / Gaza	Member
Mohammed Al-Saqa	Lawyer – Khan Yunis / Gaza	Member
Nae'la Ayesh	Director of Woman's Affair Center – Gaza	Member
Nasr Abdel Karim	Lecturer in the School of Finance & Management – Bier Ziet University.	Member

♦ An associated professor of Business and Marketing, he is a board member of FATEN

Nebras Bssieso	Director of Palestinian Development Fund - Gaza	Member
Samir Abuznaid	Former Dean of the School of Finance & Management – VP for Academic affairs Hebron University	Member
Samir Abdullah	Director of ABC Consultancy Firm - Ramallah	Member

Vision:

FATEN envisions a poverty free Palestine, in which every family is assured sustained access to dignified means to generate enough income to meet their needs.

Mission:

FATEN is working under the mission strengthening the economic base of the Palestinian micro-entrepreneurs, particularly women through providing sustainable high-quality financial services suited to their needs.

Objectives:

The objectives of FATEN are:

- To provide Palestinian – entrepreneurs with sustained access to financial services.
- To offer divers credit products and other financial services.
- To combine cost-efficient methodologies with exemplary client services.
- To become financially sustainable institution.

Values and Principles

Values are what we believe in. A value is what we believe is right or wrong. Values serve as foundation for ethical behavior in business. Underlying values are unarticulated ethical beliefs that provide a foundation for ethical behavior in a firm.

Values:

The values of FATEN are:

Accountability: FATEN is accountable for the wise and effective use of funds contributed by several donors who are committed to facilitate the provision of financial services to the poor. Above all, FATEN is accountable to the clients it serves.

Commitment: FATEN is committed to providing access to financial services to the poor; to achieving financial sustainability and to supporting the goal of the Micro credit Summit.

Collaboration: FATEN achieves results at every level through cooperation with its local and international partners and donors, clients and their families & communities, and with fellow staff. FATEN is committed to contribute to the establishment of Micro-finance networks at the Palestinian and Arab levels.

Excellence: The highest quality in vision, strategy, programs, staff collaboration and cooperation, management systems and client response; all characterize FATEN'S work.

Innovation: FATEN strives for types of guarantees, programs and systems that are creative and reflect the best thinking of the international community on poverty lending and financial services to the poor.

Trust: FATEN strives to create an institution where the word credit means trust. FATEN made borrowing simple and available based on trust.

FATEN Principles

A principle is a statement that identify the philosophical guidelines for all the organizational activities (Smith, Buckling, 2005)

The following principles guide FATEN operations:

Business-like operation: Although FATEN has a social objective; its operating approach is businesslike. This first principle imbues all facets of FATEN operations and underlies virtually all other guiding principles for FATEN.

Sustainability: FATEN aims to establish itself as a permanent source of financial services to micro-entrepreneurs who are unable to access credit through formal channels. To achieve permanence, FATEN has to be self-sustaining and to cover all of its operational and financial costs. The aim is to be self –sufficient so as to be client oriented rather than donor oriented.

Partnership with clients: FATEN operates on the principle that low-income entrepreneurs are experienced in their areas of work. They know how to use credit, are capable of paying positive real rates of interest on their loans. They also want to be treated as business partners rather than as beneficiaries of paternalistic assistance.

Responsible lending: FATEN believes that” there are no bad clients. There are only bad loans. ”The idea is therefore not to blame the clientele for poor performance, but rather to focus on internal accountability and responsibility.

Focused Services: FATEN follows a minimalist approach. It specializes in providing easily accessible credit.

Scale: FATEN believes that to make a real positive change in Palestine, it is not enough to have a couple of hundreds of clients but to reach all of those thousands of micro-entrepreneurs in Palestine who do not have access to credit.

Focus on Women: FATEN is focusing its lending operations on female micro-entrepreneurs as: women are the majority of poor, who have been traditionally excluded from formal sources of credit. Banks appear frightening and largely irrelevant to their needs.

Micro and micro environment

Year 2003 was the turning point for the survival of FATEN. Since the eruption of the second Palestinian Intifada on the 28th of September 2000, FATEN’s performance indicators were declining¹ and reached critical levels that threatened FATEN’s ability to continue serving the poor. But with extraordinary efforts by all FATEN staff, FATEN approximately tripled its outstanding portfolio by the end of FY 2003 while maintaining its high standards of quality.

The achievements of FY 2003 were a result of the strategies and plans FATEN developed in FY 2002 during which thorough analysis and assessment was done for the lessons learned on the previous years of doing Microfinance under a war situation.

The Israeli incursions and closures carry on against the Palestinians, and the situation worsened even further as the construction of the separation wall accelerated, increasing the Palestinian anguish². The war against Iraq was another factor that affected the daily lives of Palestinians during 2003.

Thirty-nine months have passed since the onset of the Second Palestinian Intifada during which FATEN tried many strategies to survive in order to continue serving the poor. FATEN was expected to reach financial sustainability within one year as the second Palestinian Intifada erupted on the 28th of September 2000.

FATEN Operations were affected severely due to:

1. Closing off Palestinian areas from one another where getting in or out became quite difficult and sometimes impossible.
2. Preventing the flow of products into or out of the Palestinian Territories.
3. Long periods of curfew destroyed many business activities like cultivation or bird and animal raising.
4. Daily bombings and continuous attacks destroyed many of FATEN's clients and staff houses and some of the clients lost their businesses in the process.
5. Some of FATEN's clients and staff lost family members on the daily Israeli incursions and a number of FATEN's clients were killed.
6. The separation wall causes even more difficulties for Palestinians to reach their land to cultivate it or to travel or to trade with other cities and in many cases the children need to go through the gates³ of the separation wall to reach their schools.
7. Due to the complete closure of many Palestinian areas, employees were not able to reach the clients or the clients were not able to reach FATEN offices to receive a new loan or to reach the banks to deposit their payments.

Since the intensification of the conflict and the reoccupation of the West Bank in the spring of 2002, movement within the West Bank has been subject to restrictions. Traffic between eight designated zones of the West Bank and into and out of major towns and cities within these zones is controlled by as many as 140 military checkpoints. Passage through checkpoints is governed by permits issued by the Israelis, and these are very difficult to obtain. Circumvention of checkpoints is prevented or made very difficult by 200 unmanned roadblocks (concrete or earth), which cut off alternative access roads.

The checkpoints/permit system has greatly reduced mobility in the West Bank and during periods of intensified security, pedestrian and vehicle access to the main roads between affected towns and villages in the WB is essentially prohibited to Palestinians.

Gaza, which has not been reoccupied, is also subject to restrictions on movement between three designated zones, with passage between ones controlled by 25-30 checkpoints.

Movement of goods within the WB is similarly affected by the "back-to-back" system according to which goods must be disembarked and reloaded into other vehicles on the other side of the checkpoint, raising transactions costs considerable.

The re-occupation of the WB has also involved the much more widespread application of curfews. All the major towns and cities in the WB, with the exception of Jericho, have been subject to extensive curfews between 40 percent and 75 percent of the time since the summer of 2002. After reaching a peak of some 900,000 people (some 40 percent of the population of the WB) under curfew during June/July 2002, the number under curfew settled to an average of about 500,000 during the remainder of 2002. Since April 2003 the situation has further improved with an average population of 200,000 to 250,000 under curfew. These curfews are usually 24-hour curfews and can run continuously for months on end, with only occasional two to three hour break every few days to enable residents to shop for food and perform other necessary tasks. Curfews have prevented workers from getting to their jobs, dislocation production and shutting down markets. In the old city of Hebron, for example, where curfews have been in force for much of the time since the beginning of the Intifada, the once thriving market is completely closed.

The economic effect of closures, checkpoints and curfews appears to vary depending on the nature of the economic activity while the affect on big companies comparatively less compared to midsize companies since midsize companies depends more on the internal market of WB/Gaza are likely to have fared relatively poorly. Transporting good within the WB, or from the West Bank to Gaza (or the other way around) involves much higher transactions costs, if all possible. The distribution of agricultural produce has been similarly affected by the restricted market access, while production has been adversely affected by the difficulties for workers and owners to get out of their towns to tend vines, fruit and olive trees. More worrying for the future, however, is the construction of the "separation wall" that is planned to run 360 kilometers along and within the western border of the West Bank. The first phase of its construction (leveling and digging trenches) began in the summer of 2002 and extends about a third of the way down from the north of the West Bank. Some five kilometers of the wall itself has now been erected. Land on either side of the wall, varying from 30 to 100 meters has also been requisitioned from Palestinian farmers for additional barrier, trenches and fences. The land involved, from which tens of thousands of olive and fruit trees have already been uprooted, is some of the most productive in the West Bank. The wall will also cover or cut off some of the best water allocation between the Israelis and the Palestinians.

The Palestinian economy is completely dependent on Israel since the outbreak of the second Palestinian Intifada. The unemployment rate reached approximately 60% while before Intifada it was around 12%. One important factor that contributed to the dramatic rise in unemployment is the huge decline in the number of Palestinians

working in Israel. In 1999, the last full year before the Intifada, a daily average of 135,000 Palestinians worked in Israel or the settlements. This number continues to increase through the third quarter of 2000, the eve of the Intifada, when it reached a peak of 146,000. Since then, access to the Israeli labor market has been severely restricted, reaching the lowest point in the second quarter of 2002 when the Israeli army began "Operation Defensive Shield", reoccupying the main cities in the West Bank and imposing widespread curfews. In the second quarter of 2002 only 33,0004 Palestinians worked in Israel. In 2003, these numbers improved somewhat but never reached pre-Intifada levels.

FATEN's competitors

There are several micro finance lending institutions in the west bank and Gaza.

Major competitors serving women include ACAD and ASALA. See table 2 for a SWOT analysis for the three entities:

Table (2) SWOT Analysis of the three entities:

	ACAD	ASALA	FATEN
Strengths	<ul style="list-style-type: none"> • Capital • Liquidity • Rural experience • Reputation 	<ul style="list-style-type: none"> • best practice group & micro loan product • high personnel productivity • efficient allocation of assets • aggressive 	<ul style="list-style-type: none"> • best practice group & micro loan product • Capital • Liquidity • Infrastructure • Crisis strategy to preserve assets • MIS
Weakness	<ul style="list-style-type: none"> • Low profitability • Low yield • Poor asset quality • High losses • Lack micro experience • Eligibility requirements • Slow disbursement • Controls 	<ul style="list-style-type: none"> • Low profitability • Low yield on small loans • Poor asset quality on small loans • Lack capital, liquidity • MIS 	<ul style="list-style-type: none"> • Low profitability • Low productivity • Declining yield • High overhead • Defensive
Opportunities	<ul style="list-style-type: none"> • Continued EU 	<ul style="list-style-type: none"> • growth in Gaza 	<ul style="list-style-type: none"> • medium-term

	<ul style="list-style-type: none"> funding SIDI funding merger 	<ul style="list-style-type: none"> group lending in west bank merger 	<ul style="list-style-type: none"> USAID support new product development infrastructure merger
Threats	<ul style="list-style-type: none"> restricted access to clients trouble with legal collection competition focus on development projects saturation of guarantee market 	<ul style="list-style-type: none"> restricted access to clients lack access to additional funds competition 	<ul style="list-style-type: none"> limited access to clients competition saturation of guarantee market no long-term funding

A merge study was conducted by an international consultant in the year 2003 to analyze the strength and weakness of these three institutions to propose merging.

No decision has been made yet to the merge process.

FATEN's Financial Products:

During the year 2003 , FATEN issued 3544 loans . this is equivalent to 120% of loans issued in year 2002. the amount disbursed during 2003 was 2,302,370 US\$.

Group Guaranteed Lending and Savings (GGLS) :

This was the first and currently is the main product of FATEN. The methodology of the GGLS is based on the principles of successful micro-finance and group-based lending programs around the world. Groups of at least three women are given small (150 Jordanian Dinar), individual, 24-week loans of working capital to expand their businesses. Each group guarantees the repayment of the individual members, so no collateral is required. The groups repay their loans and interest in installments every two weeks at a local bank and simultaneously deposit savings into a group savings account. Upon repayment of their loans, the groups become eligible for new cycles of loans at gradually increasing amounts (250, 300 JD). Clients, who finish this phase, can choose in Phase II between a 24-week loan (400, 500, 600 JD) with

compulsory savings; or a 40-week loan (600, 800, 1000 JD) without savings. Loans support a wide variety of businesses including selling clothes, small grocery stores, selling vegetables, knitting, sewing and hairdressing.

Fast Loans:

To groups of at least three active clients who have been with FATEN for more than one year and whose projects required more cash during a certain season like the Ramadan Feast, Al-Adha Feast, and the beginning of the school year. The fast loan duration is one month, the application and service fees are paid in advance, and the entire amount of the loan has to be repaid in one payment. The maximum size of the fast loan is 50% of the client's current active group loan.

Individual Loans-Phase I:

FATEN clients, who have finished at least Phase I of the GGLS product, whose projects have developed and grown to the level that their needs are bigger than what the GGLS product can offer in its Phase II, can apply for the individual loan product to further expand their businesses. The first loan size ranges between US\$ 700 - 3,000 and can be used only for working capital. Repeated loans can go up gradually to USD 10,000 for working capital and/or fixed assets. Post-dated checks and promissory notes are held by FATEN as collateral, the client is also required to sign a notary deed in the court, recognizing that she is legally bound to repay all monies owed under the terms of the loan contract, or these three requirements can be replaced by post dated checks from transferred salary. These forms of collateral are valued as a signal of the client's intent to repay rather than as means of loan recovery. Clients repay their loans and interest in installments every month at a local bank. Upon repayment of their loans, clients become eligible for new cycles of loans at gradually increasing amounts. Loans support a wide variety of businesses including selling clothes, small grocery stores, selling vegetables, knitting, sewing and hairdressing.

FATEN Staff Loans:

FATEN is providing staff loans up to USD 25,000 or the annual salary of the staff or the balance of pension and severance of the staff/borrower -in addition to other two staff that can guarantee him "optional"- (whichever is less) and the monthly payments should not exceed one third of the monthly gross salary. These loans are paid on monthly payments deducted from the monthly salary and guaranteed by

the staff/borrower pension and severance. FATEN is charging a very low rate compared to commercial banks (Banks' rate is around 12%), which is approximately 7% annually (5% declining balance +1% flat). These loans are awarded from the staff severance fund.

NGO's Staff Loans:

In March 2002 FATEN launched a similar product of FATEN staff loans for the staff of other NGOs working in the West Bank & Gaza Strip, which have a Pension Fund and Severance Plan. Loans up to \$25,000, annual salary of the staff, or the cumulative amount of the staff pension fund and severance at the date of the loan - in addition to other two staff who can guarantee him "optional"- (whichever is less) are given for a maximum period of three years. FATEN signs with the NGO an agreement by which they are obligated to deduct the monthly payment from the employee's salary and transfer it to FATEN's bank account. They are also obligated to withhold employee entitlements until he/she has a release paper from FATEN. The charged interest is 5% declining on the balance, in addition to 1% flat interest per year as a commission to cover the cost of following up on these loans. Interest and commission are deducted up front from the amount of the loan.

Individual Loans Phase II:

FATEN and its partner Save the Children /US engaged in a grant agreement with USAID to increase the outreach and widen the geographical coverage of its operations in Palestine. One of the main objectives of this grant is to create and/or sustain job opportunities and reduce poverty for female clients in the West Bank and Gaza Strip. In response to the above mentioned objective, and based on the success and experience gained from the pilot phase of the Individual Loan Product (Phase I), FATEN designed and began to pilot the Individual Loan Product Phase II that will target female clients outside its ongoing products. Loan amount \$1,000 - \$10,000 for a period of 4 – 24 months.

Housing loans for the poor:

The management of FATEN is considering adding anew program to its products, the housing loans for poor women.

FATEN considering providing loans to low income women who do not have homes. It is thought that these loans will enable the marginalized women build new houses, renovate or expand existing ones. This idea came as a result of the increasing need for housing in the region. The

proposed size of the loans range between \$1,000 – \$15,000. The housing loan proposal is to be decided by FATEN management in its forthcoming meeting of the board of directors.

Consultancies/Technical Assistance :

Using the accumulated experience of its key staff, the training materials it developed in Arabic and the financial and administrative systems it has developed, FATEN is providing consultancy to other MFIs. During 2002 technical assistance in the field of micro-finance was provided to other MFIs in Yemen, Mozambique, Tunis, and Egypt.

FATEN sold its MIS to (ANERA)'s "American near east refugees aid" loan program in Gaza. These are the current clients for the product.

FATEN management information system (MIS)

One of FATEN's strengths is its MIS system, the system is the work of FATEN's MIS specialists Suliman Rantisi .

FATEN MIS is a highly flexible system which was developed to satisfy the needs of almost any MFI with its powerful ability of working with as many diverse methodologies, products, languages, organizational structures as there could be and it's very powerful and has a comprehensive reporting tools and data entry securities. Having all that but still maintaining a user-friendly interface.

Where has the system been installed?

Currently, FATEN program is fully operational in five sites:

- 1) FATEN, Palestine for Credit and Development, in Palestine where the system was developed, FATEN had about 7,000 active clients in different loan products when the Intifada began in September 2000 and was considered the leading MFI in Palestine in the World Bank Survey conducted by Judith Brandsma and Laurance Heart in year 2000. The system was installed there in April 2001.
- 2) ENDA Entre Arabe, the leading MFI in Tunisia as per the same survey above. Currently serving about 10,000 active clients. The system was installed there in May 2001.
- 3) Save the Children/US program in Egypt (Attadamon), which is preparing to spin off soon and to become an independent MFI serving about 5,000 clients there. The system was installed there in August 2001.
- 4) Save the Children/US program in Mozambique, which is preparing to spin off soon there too and to become an

independent MFI serving about 5,000 clients there. The system was installed there in September 2001.

- 5) Gaza Women Loan Fund, a joint lending program in Gaza Strip implemented by ANERA and the Cultural and Free Thought Society there. The system was installed there in November 2002.

System Features

FATEN Management Information System is characterized by the following features:

Flexibility

- Supports different products and methodologies:
- Supports different loan interest calculations:
- Supports different loan fees and commission calculations:
- Supports different Loan Amount Methods:
- Supports user defined penalty fee for late payments methods.
- Supports different Compulsory Savings ¹calculation Methods for borrowers.
- Supports multiple payment types.
- Supports Payment aberrations support.
- Supports payment rescheduling using a very flexible rescheduling module.
- Supports multiple geographical and staff levels (at data-base setup time) depending on MFI needs.
- Supports multiple currencies.
- Supports multiple languages

Client Information

- Strong search capabilities
- Maintains client information such as ID, name, family information, age, gender, address (home and business), type of business, as well as impact information
- Track clients at different levels, from individual to group etc.
- Able to maintain group information
- Facilities to check client behavior i.e. credit and deposit status and history (from internal source)
- Historical data on clients
- Aggregation of client data (by loan officer, location, branch, region, economic activity etc.)
- Able to track clients at different stages of the process
- Identifies potential duplicates (i.e., double entry of clients)

¹ The new version will support different deposit interest calculations.

Reports

- A Comprehensive set of statistical and analytical reports are designed to cover MIS needs of monitoring and evaluation.
- Accurate, clear and readable reports.
- Reports can be issued at any administration level, by employee level or Geographical level.
- It will contain tools that permit easy and immediate generation of reports on the bases of selection done by user.
- Selection criteria's are Product, Geographical, Employee, Donor and certain client criteria's like gender, Type of Client business etc.
- Reports are issued depending on a specified range of time or at a certain date.

Ease of Use and User-Friendliness

- A very smooth lay out and logic of screens and controls.
- Data is defaulted as much as possible depending on product used "as mentioned above to reduce unnecessary data entry.
- Error, warning messages and guidelines in an easy to understand dialect in the default user Preferred language.
- Smooth keyboard screen interface
- The product design and data validation procedure leaves the user in a very tight Guided environment where the chance of losing Track or entering wrong data is highly reduced.

Ease of Use and User-Friendliness

- Multi privilege levels depending on user password.
- Maintains a security log where, sensitive data operations are stored by: user who altered data, and the time of that operation.
- High data integrity.
- A log is kept for any data entry exception, it contains the user responsible ID, Date of exception and description of the exception.²
- A well Designed Backup scheme.

Continuous Development and Support:

We really believe that when our system reaches the point that it cannot be developed any more that this the time to get rid of it and to begin a new thing. This is why we make sure that very often we have

² An example for an exception is issuing a loan to a client whose age does not qualify her to take that loan.

new developments on our system. Those developments come from our continuous support relationship with our clients and from the problems they might face or from the additions and changes they might need. What ever we find as something, which could be general and others would benefit from it, we add to the main version of the system and make sure that all of our clients' versions are upgraded to include that.

Our daily support to our sites consists of answering all of their questions, solving of all their problems and updating the system with the new developments and upgrades. Support is done using Email, discussed using chatting programs and solved hands on using Pc Any Where technology.

Technology:

- The system employs a client server technology. It uses MS-SQL as the data base engine and Ms-Access 2000 as the front-end interface.
- The system is designed to support a centralized setup where the data resides on a central server connected to client Pc's using LAN or WAN through any method "leased lines for example".
- The system will adapt to future growth in data and the number of operations preformed without a noticeable decrease in performance.

FATEN ACCOMPLISHMENTS:

Up to November 30.2004 , FATEN has achieved the following :

Table (3) FATEN accomplishments

Details	Total
Number of Loans Disbursed	63,054
Value of Loans Disbursed (US\$)	26,628,552
Average Loan Size (US\$)	422
Number of Active Clients	3,202
Value of Loans Outstanding (US\$)	2,169,376
% of Female Clients	99%
Portfolio in Arrears (> 30 day late)	1.40%
Portfolio at Risk (> 30 day late)	2.67%
Number of Offices	12
Number of Staff	58
Portfolio/Credit Agent (US\$)	69,980
Credit Agent Caseload	103
Retention Rate	96%
Operational Sustainability	76%
Financial Sustainability	61%

Distribution of Projects By Sectors:

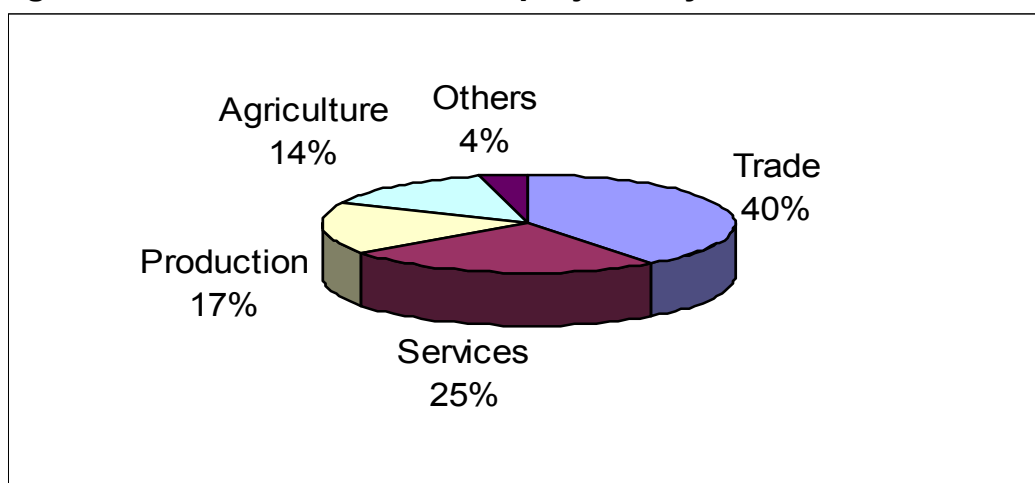
As for the sectors a total of \$26,628,552 were distributed as follows: see table (4)

Table (4) Distribution of Projects by Sector.

	%	Amount \$
Trade	40%	10,651,421
Services	25%	6,657,138
Production	17%	4,526,854
Agriculture	14%	3,727,997
Others	4%	1,065,142
	100%	26,628,552

Looking at FATEN distribution, it is apparent that the trade sector ranked first in term of loan spending followed by the services sector. (See Figure 1)

Figure 1- FATEN distribution of projects by sectors



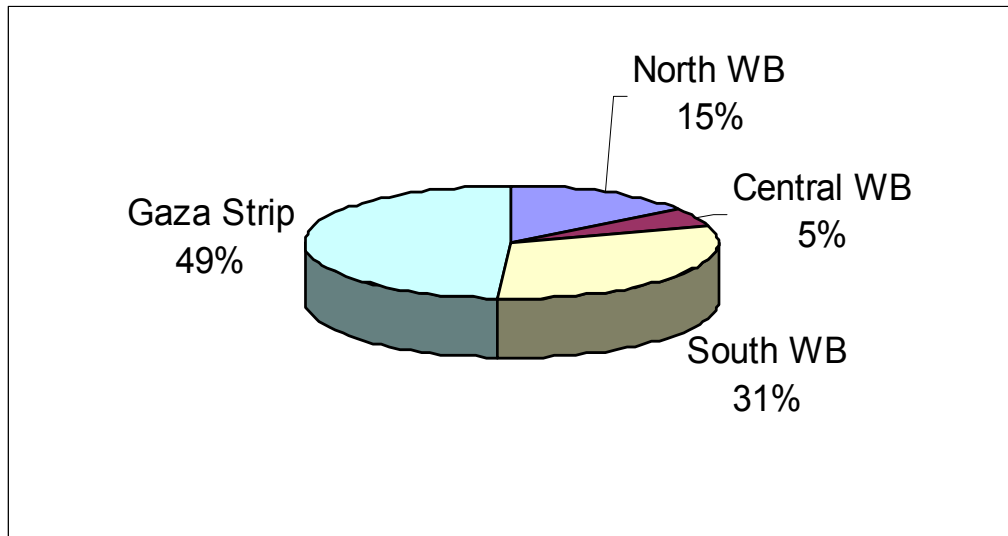
FATEN is serving the entire Palestine region see table (5) and figure 2 below, as for the distribution of projects by locations

Table (5) Distribution of projects by region

Region	%	Amount \$
North WB	15%	3,994,283
Central WB	5%	1,331,428

South WB	31%	8,254,851
Gaza Strip	49%	13,047,990
Total	100%	26,628,552

Although FATEN has offices in every city, town and camp in the West Bank and Gaza, yet more loans were distributed in the West Bank \$15,580,562 as compared to \$13, 47,990 in Gaza strip. See figure 2 This is due to the fact that the West Bank is more stable than Gaza. In fact FATEN is thinking about closing some of its offices in Gaza.



Distribution of FATEN's Outstanding Portfolio By Product:

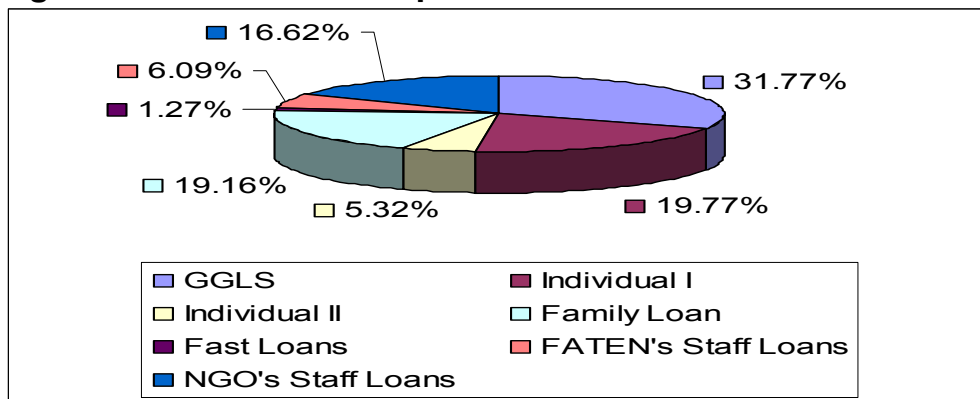
As for the distribution of FATEN outstanding portfolio by product see table (6) for details :

Table (6) distribution of FATEN outstanding portfolio by product

product	%	Amount \$	Amount JD
GGLS	31.77%	689,162	489,305.606
Individual I	19.77%	428,813	304,457.043
Individual II	5.32%	115,471	81,984.064
Family Loan	19.16%	415,662	295,120.029
Fast Loans	1.27%	27,479	19,509.746
FATEN's Staff Loans	6.09%	132,138	93,817.980
NGO's Staff Loans	16.62%	360,652	256,062.920
Total	100.00%	2,169,376	1,540,257

As for the percentage distribution of products see figure 3:

Figure 3- distributions of products



from figure 3 it is clear that the largest distribution is in the GGLS product 31.77% followed by individual and loans.

Challenging Issues

The question facing FATEN top management is whether to adopt the housing loan program? Whether to merge with other entities? And if so what organizational structure appropriate to the new entity, to include new headquarters, regional and field offices. What capital requirements needed for the merge entity and the impact on financial viability if a loan capital must be borrowed from commercial market and what type, range and price of products the merged entity would need to offer in order to be successful??