



## FIRST PERSON

# Training Helps Small-Loan Practitioners

### Loan officer builds his career and boosts his company



Photo: AMIR Program

***“The SMTP taught us how to be a company that clients can have faith in,” says Seif Mdanat (left), operations manager of the Middle East Micro Credit Company.***

In 1999, the Jordan National Bank assigned Seif Mdanat to work with its microfinance institution, which provides small loans to borrowers who cannot access traditional resources because they lack collateral or a formal credit history. He took the assignment, but Seif had had no experience with sustainable microfinance.

To remedy this, he enrolled in USAID’s Sustainable Microfinance Training Program (SMTP). The only training of its kind in the region, it offers, in Arabic, a practical understanding of sustainable microfinance principles and sound business practices, tailored to the needs of Middle Eastern practitioners. “Sustainable microfinance is different from bank lending,” explains Seif. “At the bank, the client comes to you, and you disburse loans. In sustainable microfinance, you have to go to the client. You have to earn their trust in yourself and in the process.”

In cooperation with Jordan’s Institute of Banking Studies, USAID created the program to build the expertise of Jordan’s growing microfinance industry. It has trained more than 300 people from the microfinance industry, the banking community and other lending institutions throughout the Middle East.

Seif excelled in the program, earning the highest score in the basic and advanced courses. “The SMTP was my first real introduction to what sustainable microfinance is all about,” says Seif. “It taught me how to build relationships with clients, as well as how to manage the business side — how to set interest rates, how to manage capital — to achieve sustainability.” Excited by what he learned in the course, he used his new expertise to train his colleagues. Starting as a loan officer in 2000, Seif is now the Middle East Micro Credit Company’s operations manager.

Thanks to the expertise of Seif and its staff, the company has disbursed more than 5,000 loans with a repayment rate of 98.5 percent. Its operational sustainability is an exceptional 130 percent. “We earn new clients by word of mouth,” says Seif. “Sustainability is key to that. Sustainable institutions can offer better service to more clients for a longer period of time. The SMTP taught us how to be a company that clients can have faith in.”