

**INTERNET- BASED MICRO FINANCE MANAGEMENT SYSTEM ‘CREDINFO’**

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**1. SUMMARY OF GOOD PRACTICE**

▪ **Overview**

**Credinfo** provides an online application, assessment and credit management facility. Originally set up to accelerate the credit application process, the Internet Based Micro Finance System was developed to provide an online facility for Hungary’s Local Enterprise Agency network helping SMEs to access funds.

▪ **Key Aims**

The project was set up to:

- Accelerate the credit application process, helping for profit and not for profit SMEs to access finance.
- Provide a one-stop internet based client application and management solution for any agency managing micro funding schemes for SMEs.

▪ **Resources/Funding**

**Programme Partners**

- **Credinfo** was developed in association with **Fejer Enterprise Agency (FEA)** who wanted to accelerate the client application process. FEA already have experience of working with micro organisations, supporting 280 active clients with an average loan value of €11-37,000.
- With the development of the scheme funded by the European Microfinance Network, Credinfo Ltd are the lead software developers and system managers of the **Credinfo** application.
- **Client loans are funded via the JEREMIE** programme. Their funds are distributed and managed through the CREDINFO Internet-based system. Registered clients (entrepreneurs) can submit a loan application online for the loan product selected from the “credit webshop” to the MFI offering the loan product via a “microcredit cart”. When completing the loan application an assistant helps the applicant to compile the business plan for the requested loan product.
- **The Hungarian Microfinance Network (HMN)** is a network of 20 Local Enterprise Agencies (LEAs) offering a variety of financial and non-financial programmes throughout Hungary. The Credinfo system is used to manage their individual funding programmes.
- **Zala County Foundation for Enterprise Promotion (ZMVA)** is the lead LEA partner responsible for co-ordinating and managing the development of the programme.

▪ **Eligibility Criteria & Key Terms**

Each LEA partner using the internet based **Credinfo** system can set its own eligibility criteria and key terms for microfinance grants.

The HMN have a strong social mission and their target group includes for profit and not for profit organisations and socially disadvantaged groups; women, unemployed and the 50+ age group

▪ **Loan Process – How it Works**

<b>STEP 1</b>	Eligible Companies seeking finance submit an online loan application through each partners 'credit webshop'
<b>STEP 2</b>	Loan applications are initially assessed online. The software tool developed for the site enables an easy and comprehensive financial analysis of the applicant; the company's liquidity, indebtedness, profitability and efficiency. Applications passing this stage are then assessed by a committee and advised of the outcome. The entire loan application process including assessment is carried out on line.
<b>STEP 3</b>	Credinfo also offer financial and enterprise development services and provides SMEs with an opportunity to search for Business Partners

As well as providing SMEs with an online application route for funding, CREDINFO:

- ✓ Provides partners subscribing to the system with real time management information on their individual clients and the overall status of their funding scheme.
- ✓ Provides individual SMEs with the means to track the progress of their application and if successful, the status of their loan account.
- ✓ Provides the **Funding body**, in this case **JEREMIE**, with instant access to management information reports.

**2. IMPLEMENTATION**

An award winning initiative, **Credinfo** was rolled out in 2009 and is used by 26 LEA partner organisations in Hungary and 1 partner in Norway, achieving all the basic functions it was set up to deliver.

Partners pay a small installation cost for translation services and a monthly fee based on the number of clients supported to use the Credinfo system. Partners are also invited to regular project meetings to share best practice and review progress and developments associated with the programme.

The Credinfo system is being constantly developed in response to the needs of its clients, this includes the recent addition of the management system for collective landing as well as the



development of the dashboard and a special module enabling the measurement of social benefits.

**Key Stats:**

- ✓ The average assessment period for loans before **Credinfo** was 30 days. This has now been reduced with the average time of loan assessment shortened to 1-2 weeks.
- ✓ Funding Bodies, Client's Partners' and Client Businesses now have instant access to up to date management information enabling them to manage the flow of funds.
- ✓ Several European partners have expressed interest in the programme with a Norwegian agency being the most recent partner to join the scheme.

**3. KEY LEARNING POINTS & OPPORTUNITIES**

Main benefits and success factors for MFIs using the system include:

- Access to a top-rank system containing the practical tools/innovations of other MFIs without major investment
- A tailored system able to deliver high-quality online services for its clients
- Different modules of the system that can be installed independently
- A system that supports the loan application process
- Access to a management information system providing performance reports on the whole micro financing system as well as the MFI itself.
- Financial reports

The lead partners now want to encourage more take up from the 'not for profit' sector.

▪ **Transferability**

**Credinfo** is completely transferable to other countries, languages and legal environments. Available to any agency involved in managing funding schemes, the internet application can be adapted and tailored to support any micro web based loan scheme in any country, helping to remove the barriers to internationalisation.

The system has been developed using a SaaS (Software as a Service) model so no additional software costs are involved.

**FURTHER INFORMATION:**  
**CREDINFO** - <http://credinfo.eu/>  
**Fejer Enterprise Agency (FEA)** - <http://www.rva.hu>  
**JEREMIE Programme** - [http://www.eif.org/what\\_we\\_do/jeremie/index.htm](http://www.eif.org/what_we_do/jeremie/index.htm)  
**The Hungarian Microfinance Network - Zala County Foundation for Enterprise Promotion** - <http://www.zmva.hu/index.php?op=ChangeLanguage&ToLanguage=EN>  
**You Tube** - <http://www.voutube.com/watch?v=RVR8H3fOhSU&feature=plcp>

DIFASS Workshops Good Practice 2/Micro Loan Schemes/Internet Based Micro Finance Management System  
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