

CCT Credit Cooperative

Brief History

CCT Credit Cooperative's roots can be traced from the Center for Community Transformation (CCT), a Christian development organization organized in 1992. CCT started out as an informal organization of development professionals who shared the common vision of helping the poor. This group believed that real development could be best achieved by enriching the spirituality of a person. CCT believes that approaches to development must be holistic and transformational.

The cooperative is one of the three institutions that received technical assistance support under the Microfinance Sector Strengthening Project (MSSP) together with the Center for Agriculture and Rural Development (CARD) and Life Bank. The MSSP is a project implemented by the United Nations Development Programme (UNDP). The objective of the project is to make the MFI operations of the three institutions efficient and sustainable using the ASA methodology.

Currently, CCT's implementing structures include the Center for Community Transformation, Inc., CCT Credit Cooperative, Visions of Hope Foundation, and CCT Heritage Tours. CCT Credit Cooperative manages CCT's microfinance program. CCT formally transferred its microfinance operations to CCT Credit Cooperative in 2004. The cooperative began its operations in January 2004. The cooperative integrates microfinance into its transformational programs and services for the poor.

Methodology

CCT Credit Cooperative received technical assistance on the use of the ASA methodology under the MSSP. One key feature of this methodology is its emphasis on individual liability as opposed to group liability. Another key feature of the ASA methodology is its simple and low-cost microfinance technology.

The cooperative offers a regular loan with a minimum loan amount of PhP4,000 and a maximum of PhP 30,000. Interest rate ranges from 3.1% to 3.3% per month, depending on loan term. In addition, the cooperative also offers housing improvement loans to its members.

Area of Operations

CCT Credit Cooperative manages 71 branches in Metro Manila, Bulacan, Laguna, Cavite, Nueva Ecija, Negros Occidental, Iloilo, Capiz, South Cotabato, Cotabato City, Sultan Kudarat, Sarangani, General Santos City, Misamis Oriental, Davao City, and Davao del Sur.

Clients

As of December 31, 2004, the cooperative served 51,624 active clients, 44,877 of whom are active borrowers. 97.7% of borrowers are women. Its loan portfolio reached PhP 165.3 million.

Active clients	Active savers	Active borrowers	Gender
51,624	n/a	44,877	97.7% women

As of December 31, 2004

Poverty Focus

CCT Credit Cooperative targets poor women, accounting for 97.7% of its active borrowers. Its average loan balance is PhP 3,683, equivalent to 6.1% of per capita GNP.

Average loan outstanding	Average outstanding loan size/ GNP per capita	Average deposit size
US\$65	6.1%	n/a

As of December 31, 2004

Exchange rate: US\$1 = PhP 56.27

GNP per capita: PhP 60,859

Distinctive Features

CCT Credit Cooperative integrates microfinance into its transformational programs and services for the poor. Weekly meetings are called Fellowship meetings. In Fellowship meetings, Bible studies are made, peer advices are given, and loan payments are collected. In addition, CCT Credit Cooperative is one of the most aggressive MFIs in the Philippines in terms of expansion. In 2004, its number of active borrowers increased from 29,397 to 44,877, a growth of 52.7%.

Innovations

Aside from providing regular and housing loans, the cooperative also offers microinsurance to its members. From weekly payments of PhP 5, members' beneficiaries are entitled to receive PhP 30,000 in case of death due to sickness, and PhP 60,000 in case of death due to accident.

Children of CCT Credit Cooperative members that are on their third year as college students can also benefit from Vision of Hope Foundation's *Study Now, Pay Later Program*. Visions of Hope Foundation manages CCT's education programs.

Financial Results

CCT Credit Cooperative is an institution with assets amounting to PhP168.2 million as of December 2004. Outstanding loans at the end of December 2004 reached PhP 165.3 million with PAR > 1 day of 6.9%. It had liabilities, members' equity, and statutory reserves of PhP 156.2 million, PhP 8.2 million, and PhP 3.9 million, respectively. The cooperative achieved an OSS ratio of 122.6% and an FSS ratio of 117.9% in December 2004. (Source: CCT Credit Cooperative Audited FS 2004 – PAR, Microfinance Council of the Philippines Database – OSS, FSS)

Loan portfolio	Portfolio at risk > 1 day	Savings deposits	OSS / FSS	RoE / RoA
US\$ 2.9 million	6.9%	n/a	122.6 % / 117.9%	n/a

As of December 31, 2004

Exchange rate: US\$1 = PhP 56.27

Challenges and Development Plans

Major challenges faced by the cooperative in connection with its rapid expansion are manpower recruitment and the maintenance of a high quality of its loan portfolio.

Inclusion in the Financial Sector

CCT formally transferred its microfinance operations to CCT Credit Cooperative in 2004. The cooperative began its operations in January 2004. Cooperatives are authorized by law to collect savings from their members. The cooperative submits reports to the Cooperative Development Authority (CDA), the government agency that is tasked to regulate and supervise cooperatives in the Philippines.

Sources

CCT Brochures

CCT Credit Cooperative Audited Financial Statements 2004

Familyang Pinoy, Issue 1, Volume 1, Mar-Apr 2005

Microfinance Council of the Philippines Database