Credit Risk Decision Tools for Microfinance Training Course

Professional Development Training Course Outline

Category	Microfinance & Financial Inclusion	**Duration**	10 Days
Base Fee	$3,000 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

Credit Risk Decision Tools for Microfinance equips practitioners with advanced methodologies, analytical frameworks, and digital risk evaluation tools tailored for lending to low-income clients, micro-entrepreneurs, and small businesses. In today's rapidly digitizing financial landscape, microfinance institutions must adopt robust, data-driven and technology-enabled credit risk systems to strengthen portfolio quality, reduce default rates, and improve lending sustainability. Credit Risk Decision Tools for Microfinance Training Course provides an in-depth understanding of credit scoring models, loan appraisal techniques, early-warning indicators, portfolio risk metrics, and risk-based pricing strategies that support safer and more inclusive lending decisions.

Through practical exercises, simulations, and real-world microfinance case studies, participants gain hands-on experience using credit decision tools that enhance accuracy, transparency, and efficiency in microfinance operations. The course also explores digital innovations such as alternative data credit scoring, machine learning applications, automated credit workflows, and predictive analytics. By integrating these tools within well-governed risk management frameworks, institutions can significantly improve financial performance while expanding outreach to underserved communities.

Programme Curriculum

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Course Objectives

1. Understand core principles and frameworks of credit risk in microfinance.
2. Apply trending analytical tools for credit assessment and decision-making.
3. Use financial and non-financial data to strengthen borrower evaluation.
4. Implement risk-based pricing strategies for sustainable lending.
5. Apply digital and alternative data credit scoring models.
6. Strengthen portfolio monitoring using real-time risk dashboards.
7. Integrate automated and digital credit workflows.
8. Identify early-warning indicators for potential loan defaults.
9. Apply predictive analytics to improve loan recovery outcomes.
10. Assess the impact of client behavior on credit decision tools.
11. Strengthen internal controls and governance for credit risk management.
12. Evaluate credit risk technologies and vendor solutions.
13. Develop action-oriented strategies for improving portfolio quality.

Organizational Benefits

- Enhanced portfolio quality through improved borrower assessment
- Reduced default rates via advanced credit decision tools
- Increased operational efficiency through automation
- Higher accuracy in loan approval and pricing decisions
- Stronger compliance with regulatory risk standards
- Improved early detection of high-risk borrowers
- Enhanced use of digital and alternative data sources
- Strengthened institutional governance and risk culture
- Better alignment of products with client risk profiles
- Increased sustainability and outreach in microfinance operations

Target Audiences

- Microfinance credit officers and managers
- Risk management and compliance staff
- Microfinance institution executives
- Loan appraisal and underwriting teams
- Digital finance and fintech lending teams
- Portfolio monitoring and analytics officers
- Development finance practitioners

- Consultants and advisors in inclusive finance

Course Duration: 10 days

Course Modules

Module 1: Introduction to Credit Risk in Microfinance

- Understanding core credit risk concepts
- Characteristics of microfinance lending environments
- Borrower behavior and repayment capacity drivers
- Role of risk tools in supporting sustainable lending
- Key challenges in microfinance risk management
- Case Study: Strengthening credit processes in rural lending

Module 2: Credit Assessment Frameworks

- Traditional and modern credit appraisal approaches
- Cash flow analysis for micro-entrepreneurs
- Household-level financial assessment
- Evaluating character, capacity, conditions, collateral, and capital
- Decision-making criteria for small loans
- Case Study: Improving approval rates with structured appraisal

Module 3: Credit Scoring Tools

- Principles of credit scoring
- Automated scoring approaches for microfinance
- Pros and cons of standardized scoring models
- Integrating demographic, psychometric, and behavioral data
- Establishing risk thresholds
- Case Study: Psychometric scoring adoption in MFIs

Module 4: Alternative Data for Credit Decisioning

- Types of alternative data used in microcredit scoring
- Mobile money and digital footprint analytics
- Supplier and trade credit data
- Social network and behavioral indicators
- Ethical considerations and data privacy
- Case Study: Using mobile money data to expand credit access

Module 5: Machine Learning Applications in Credit Risk

- Introduction to ML models for credit scoring
- Predictive patterns in borrower behavior
- Model training, testing, and validation techniques
- Avoiding algorithmic bias
- Integrating ML tools into lending systems
- Case Study: Predictive ML model reducing delinquency rates

Module 6: Cash Flow–Based Lending Tools

- Importance of cash flow analysis in micro-loans
- Digital tools for income and expense estimation
- Seasonality assessment in small businesses
- Variance analysis and risk flags
- Portfolio implications of cash flow errors
- Case Study: Cash-flow tool optimizing MSME loan decisions

Module 7: Loan Pricing and Risk-Based Pricing

- Principles of risk-based pricing
- Determining effective interest rates
- Using risk tiers for microfinance clients
- Understanding operational costs and margins
- Balancing affordability and sustainability
- Case Study: Reducing default risk with tiered pricing

Module 8: Portfolio Quality Monitoring Tools

- PAR (Portfolio at Risk) measurement
- Aging analysis and delinquency tracking
- Using dashboards for real-time monitoring
- Trigger indicators and alerts
- Analyzing group lending repayment patterns
- Case Study: Portfolio dashboards improving branch performance

Module 9: Early-Warning Systems (EWS)

- Identifying early behavioral risk signals
- Loan utilization monitoring
- Client engagement and follow-up techniques
- Trigger-based intervention strategies
- Integrating EWS with digital tools
- Case Study: EWS approach reducing defaults by early action

Module 10: Credit Risk Governance & Controls

- Internal controls for loan processing
- Segregation of duties in credit operations
- Documentation and verification standards
- Fraud risk mitigation tools
- Role of credit committees
- Case Study: Strengthening governance to curb fraud

Module 11: Digital Lending Platforms & Tools

- End-to-end digital credit workflows
- Automated loan origination
- Digital KYC and identity verification
- Credit decision engines
- Integrating platforms with core banking systems
- Case Study: Digital platform improving client turnaround time

Module 12: Stress Testing for Microfinance

- Importance of stress testing
- Stress scenarios for microfinance portfolios
- Sensitivity analysis
- Impact on provisioning and capital planning
- Portfolio simulation models
- Case Study: Stress testing during economic downturns

Module 13: Loan Recovery & Collections Tools

- Collections strategies for microfinance clients
- Behavioral strategies for repayment
- Digital reminders and automated follow-ups
- Field collections best practices
- Monitoring restructured loans
- Case Study: Digital reminders improving repayment rates

Module 14: Data Analytics for Risk Management

- Using data analytics for risk profiling
- Segmentation of client portfolios
- Identifying hidden risks through visualization
- Data dashboards for management
- Integrating analytics into decision-making
- Case Study: Analytics-driven restructuring for improved performance

Module 15: Building an Institutional Credit Risk Strategy

- Aligning tools with institutional goals
- Resource planning for risk teams
- Capacity building for credit staff
- Technology investment planning
- Monitoring and evaluation of risk frameworks
- Case Study: Institutional strategy improving long-term portfolio health

Training Methodology

- Instructor-led sessions with conceptual briefings
- Practical exercises using credit risk tools
- Case study–based group discussions
- Hands-on demonstrations of digital scoring and monitoring tools
- Peer learning and collaborative problem-solving
- Continuous assessment and applied learning activities

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.org or call *+254769199797*

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

a. The participant must be conversant with English.

b. Upon completion of training the participant will be issued with an Authorized Training Certificate

c. Course duration is flexible and the contents can be modified to fit any number of days.

d. The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.

e. One-year post-training support Consultation and Coaching provided after the course.

f. Payment should be done at least a week before commence of the training, to Fineskill Training Center account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
23 Nov 2026	04 Dec 2026	Online	$2,000
23 Nov 2026	04 Dec 2026	Physical	$3,000
23 Nov 2026	04 Dec 2026	Physical	$6,000
23 Nov 2026	04 Dec 2026	Physical	$6,000
23 Nov 2026	04 Dec 2026	Physical	$12,000
23 Nov 2026	04 Dec 2026	Physical	$9,000
23 Nov 2026	04 Dec 2026	Physical	$12,000
23 Nov 2026	04 Dec 2026	Physical	$12,000

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