

FINCA MfB introduces Education loans to enhance access to quality education

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FINCA [Microfinance Bank Ltd Nigeria](#) and Opportunity International Edufinance have partnered to expand access to education loans in South East Nigeria. The partnership, via Opportunity's [EduFinance Technical Assistance Facility \(ETAF\)](#), led to the introduction of School Fees Loan product for parents of students in private sector education to pay their children or ward's school fees so that the children can stay in school, as well as a School Improvement Loan product targeting proprietors or owners of private schools to use for improvement and enhancement of their schools or for asset acquisition or increase working capital.

The partnership aims to reach at least 118,000 children within the next two years. Leveraging on Opportunity's deep history in EduFinance across Africa and FINCA's over 30 years of experience in providing responsible financial services, ETAF will provide technical support as well as start up funding for these products.

Equally important, the partnership will shine a light on the breadth of financial service providers in the market, demonstrating the win-win that comes from microfinance institutions expanding into the education lending space.

"Having seen its success in other countries, we are really excited to grow our portfolio by expanding into the education finance market," said Andre Lalumiere, Chief Executive Officer of FINCA [Microfinance Bank Ltd](#) *"We are a growing microfinance institution with a mission to alleviate poverty and we believe supporting education is a key factor to achieving this. We anticipate making a real difference to the lives of our clients through offering responsible financial services designed to improve the education quality of our local schools, and to help our clients' children go to and stay in school."* The missions of both FINCA MfB and Opportunity International align in the aim to alleviate poverty through sustainable, localised solutions. Opportunity's ETAF was established in 2015 to provide financial institutions with a broad array of tools and deep data-driven insight to target, launch, and grow localised Education Finance products and services.

The country's ever-expanding affordable private school sector needs sustainable solutions to help children access quality education. With 63% of the population under the age of 24, the state education system is unable to provide for the growing numbers of youth in need of an education. An estimated 43.9 million children attend school in Nigeria, though supply of education – especially for poor families – continues to plague students in the country. The School Improvement Loan product will target the growth of services to low-income families by bolstering the ability of schools in low-income environments to grow their intake. At the same time permitting the school owners to fulfil their vision for the school and provide quality education.

"Opportunity EduFinance is thrilled to expand into Nigeria – a country where we're keen to have a presence", said Nathan Byrd, Head of Education Finance, Opportunity International. *"This partnership enables us to bring our expertise and experience to a new partner where there's real need for sustainable, scalable education programmes. Back in 2010 UNESCO estimated 8.7m primary aged children were out of school in Nigeria alone – a tragic figure. It's time that the Nigerian microfinance sector awakens to its role in alleviating this crisis, and we're excited to be taking this first step with FINCA."*

[FINCA School Improvement Loan](#) is a credit facility that is available to existing private school owners intended to facilitate educational asset acquisition like land acquisition, buses, generators or computers or those in need of additional working capital and other purposes related to improving the school's quality. The repayment plan is flexible such that repayment happens during school periods.

[FINCA School Fees Loan](#) is a short term credit facility that is intended to facilitate the prompt payment of school fees by parents and guardians for their children and ward's educational needs such as tuition fees, uniforms, books, meals, school bus among others. The child's school must not necessary have account with FINCA for the parent(s) or guardian(s) to access this loan.

This is an opportunity to provide quality education to our children who are the future leaders of the nation and keep them in school.

About FINCA Microfinance Bank Ltd Nigeria

FINCA Microfinance Bank Ltd. is a leading microfinance bank in Nigeria, operating in the country since 2014. The bank provides a full range of financial services to more than 22,000 active clients through its branches and FINCA eXpress agents in Owerri-Imo State, clients has accessed over ₦3.5 billion in loans and deposited over ₦500 million in voluntary savings.

FINCA is part of the FINCA Impact Finance Network, a global market leader in microfinance of over 30 years' experience, a group of 21 microfinance and financial institutions across Africa, Latin America, Eurasia, and the Greater Middle East and serving over 1,800,000 client worldwide. In Africa, we operate in Uganda, Tanzania, Malawi, Zambia, D.R.Congo and Nigeria, which provide responsible financial services that enable low-income entrepreneurs and small business owners to invest in their future.

For more information, visit www.fincanigeria.com

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Opportunity EduFinance is a group of the non-profit organisation of Opportunity International, devoted to improving access to and quality of education through microfinance products and services in the developing world.

Opportunity EduFinance is a significant force in tackling the global education crisis. The schools that they support emerge in parts of the world where parents are denied effective state education by helping the schools to improve facilities and the quality of education they can offer, and by allowing more parents to use them, Opportunity EduFinance is allowing some of the world's poorest children access a decent education that they might otherwise be denied. To date, Opportunity EduFinance have facilitated some \$60 million in loans, benefitting as many as 1.1 million children.

Opportunity International was founded in 1971 and is actively serving 9.6 million hardworking entrepreneurs in 22 countries around the world.