Abstract

This paper presents a fuzzy logic approach to credit scoring for Micro Finance. The research was necessitated as a result of the inability of many Micro Finance Institutions in Ghana to recover loans from their clients which is leading to their eventual collapse. It has been presumed that proper evaluations are not done by the Micro Finance Institutions thereby advancing loans to wrongful applicants. The main objective of this research was therefore to provide a Fuzzy approach to credit scoring in order to reduce the loan default among the Micro-Finance Institutions so as to ensure their continuous existence. The research used three Fuzzy Input variables with their triangular membership function, an Output variable and twenty-seven fuzzy rules in the development of an evaluation model.

Accessed on 02-01-14).

Index Terms

Computer Science
Fuzzy Systems
Keywords

Credit Scoring  Fuzzy Logic  Micro Finance  Fuzzification
Defuzzification