

“Case Study: Christina Gomez, Midwife”

The Banking on Health Project

Case Study Description

The Case: Christina Gomez, Midwife

Goal: To improve lenders' credit analysis skills and to understand the particular business model, and risks and benefits of lending to a health care business, particularly a midwife practice.

Objectives: At the end of this case study, participants will have enhanced abilities to:

- Understand the business model of a private midwife practice and consider these practices as potential borrowers
- Effectively communicate and gather information from clients
- Gather information for the credit decision making process from non-client sources in an effective and efficient manner
- Construct a cash flow for an applicant
- Determine repayment ability and debt capacity based on a client's cash flow
- Promote repayment with sound credit decision-making and monitoring techniques

The case study takes Account Officers (AOs) through the process of evaluating a first-time applicant and deciding whether to lend and how much.

Case Study: Christina Gomez, Midwife

For the past three years, Ms. Christina Gomez has owned and managed a private midwife clinic from her home. She is 37 years old and has been a certified midwife for the past 13 years, since graduating from the A-1 City School of Midwifery in Iloilo City. Before opening her own clinic, she worked for the midwifery school as a clinical instructress for six years, and as a midwife in the local government hospital for four years.



Christina heard about your rural bank's microfinance program from the pregnant wife of a local sari-sari shop owner. The shop owner is a borrower of your bank. She has come to your bank's MFU this morning requesting a loan application. Although she has not brought her financial information with her, she clearly states that she is making a healthy income, enough to pay back her loan request of P40,000. She has invited you to come to the clinic to see for yourself.

Initial Interview

Exercise:

1. What information do you want to collect before formally interviewing Christina and giving her an application?

2. What questions should you ask?

The Initial Interview

Most of the information needed to evaluate a microenterprise loan application can be gathered at the initial interview. Remember that time is valuable, and that the more necessary information you can gather in the initial interview, the quicker you can make a decision.

Preparing for the client interview

It is important to be prepared for your initial interview with the client. You should establish your objectives for the interview beforehand and know what you need to get from the client before you can proceed to the next step in the application. A written list of questions or notes may help you to remember what information you need. As some answers are given, other questions may arise, but as long as you have an outline of what you need, you'll stay on track. Questions should start with the general and get more specific as more information is learned.

This list of questions would typically consist of:

1. Questions about the loan application such as clarification in the case of inconsistencies or confusing information.
2. Standard questions that you ask of every applicant – incorporating credit analysis issues and any program requirements
3. Industry specific questions based on your knowledge (or lack of knowledge) of the applicant's business activity.

Exercise:

Prepare for the client interview. In your groups, establish objectives for the meeting and make a short list of questions or notes that will help you achieve these information-gathering objectives.

Objectives: _____ Questions: _____