

**THE RELATIONSHIP BETWEEN
LOAN FACILITIES AND 4 C'S
AMONG FARMERS IN
TANAH MERAH AND MACHANG**

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ABSTRACT

To improve agriculture sector, farmers need more facilities especially loan facilities to buy other facilities. But, not all loan application by these farmers are being approved by bank especially Bank Pertanian Malaysia. Bank officers have to use the 4C's in analyzing the loan application by these farmers. This study is designed to identify the relationship between loan facilities and 4 of the 5C's among farmers in Tanah Merah and Machang. The study was carried out in Kg. Kerilla, Kg. Pauh, Kg. Sungai Bedal and Kg. Paloh Rawa in Temangan, Machang and Kg. Kursial Baru, Kg. Kulim and Kg. Che Dol in Gual Ipoh, Tanah Merah. The data collected using the convenience sampling by distributing 100 copies of questionnaires. Also from interviews with bank's officer and chief clerks in Pejabat Tanah dan Jajahan in Machang and Tanah Merah. All the data provided had been analyzed by using frequency distribution, cross tabulation and chi-square. From the findings, the researcher found that there is a significant association between character, collateral, capacity and capital with loan's approval. Most of the farmers are male between the ages of 41 to 50 years. There are 55 out of 100 farmers succeed in their loan applications. The strongest variable is "capacity" and the weakest variable is "income" as the representative for "character".