

Factors affecting granting of credit facilities in commercial banks in the Aqaba Special Economic Zone Authority- Jordan

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Abstract:

This study came to check the factors affecting the credit facilities with banks' branches in Aqaba, through the following variables: customer borrowers, credit policies, central administration of the loans and the environmental conditions of the local economy. The study showed that all the factors were important for credit facilities through the replied of study sample.

The most important recommendation of the study that the management should consider the following as important factor of issuing the loan: the primary and detailed feasibility studies, incentives for everyone who contributes in the collection of loans, Customer's financial reputation and Design different studies in the future with different variables.

Key words: Credit facilities, Commercial banks, Bank client, Aqaba Special Economic Zone Authority.

Introduction:

The Jordanian banking sector is the main source of credit, the commercial banks in Jordan especially in Aqaba Special Economic Zone the main and important source in the financing of various economic enterprises, the most important role played by commercial banks is to fund investors or customers in general, Credit facilities are the most important functions provided by commercial banks, credit facilities is the most sensitive and dangerous issue to gain profit, so granting credit facilities to customers it should have a guarantees and warranties cover a loan amount or more, that to ensure the bank to recover his capital with profit through interest and commission .

The credit facilities are the most important source of financing the investors to complete their various projects, Investors depend on credit facilities to establish their projects granted by the commercial banks, Credit facilities have several forms and the most accepted one is the direct credit facilities, It is Known as " those facilities that pay for the customer in cash or credited to their account with the bank, including the current account debtor, bills discounted and loans " (Tarawneh 2002), and here it must be noted that the most important and dangerous jobs offered by banks is to grant credit facilities for achieving profit.

The fact that commercial banks play an intermediary role between savers and investors, it contributes to the flow of savings into investment, as the backbone of economic progress, as the investments are the main supporter of the national economy, and the establishment of investment projects affecting the national economy and projects always dependent upon credit facilities, so credit facilities play an important role of advancement of the national economy.

The evidence on the strength of investment projects set up in the Aqaba Special Economic Zone as global projects and need high liquidity; Jordanian commercial banks are able to provide these funds through direct credit facilities against guarantees, warranties, and accurate accounting oversight by the lender.

The credit facility divided into two parts: direct banking facilities put a certain amount at the disposal of the client, and indirect banking facilities constitute a binding on the bank in the future while achieving certain conditions, such as documentary credit. (Institute of Banking Studies, 1996). therefore the risk management banking considered one of the most important topics at the global level, especially in the sequences of financial crises, from the financial crisis in Mexico in late 1994 and early 1995 and through financial crises in Southeast Asian countries, Brazil, Russia and Turkey, and most recently in Argentina (Hashad, 2005).

Jordanian Banking System Institutions at the end of 2011 showed that the number of Jordanian commercial banks operating in the Jordan reached 13 banks and all have branches outside Jordan, and the non Jordanian commercial banks reached to 9 banks all have branches within the Kingdom, and there are three Jordanian Islamic banks and one non-Jordanian. (Annual Report of Central Bank in Jordan, 2011).

As for the evolution of licensed banks in the Kingdom for the year 2011 has recorded the outstanding balance of credit facilities increased to 1.399 Million diners and the private sector grabbed the largest share of this increase, and the total deposits increased to 1.873 Million diners the private sector grabbed for the largest share of this increase by 83.4%, But total credit facilities extended by licensed banks for all economic activities to 15.851 Million diners.

Objective of the study:

The aim of this study was to investigate the impact of customer borrowers, credit policies, the central administration of the loans and the environmental conditions of the local economy on the facilities granted by commercial banks in the Aqaba Special Economic Zone authority, through the feedback from a sample of branch managers and their assistants and the credit facilities heads department and staff in the branches of commercial banks in Aqaba Special Economic Zone, And to investigate the effect of these factors mentioned previously on the granting of such facilities in commercial banks, and to find out whether is positive or negative.

Importance of the study

The main importance of this study because it is a new and important topic for commercial banks in Aqaba Special Economic Zone authority, credit facilities is an old service it contributes directly of gaining interest income, which is the most important revenue for the commercial banks, so we must identify the factors influencing them.

we must know that the decision to grant facilities is important, because the granting of such facilities is considered possible to arrive Bank and its clients into bankruptcy, so the factors affecting the granting of such facilities it must be studied from experienced management in the financial risks, so this study will put the most important factors affecting the granting credit facilities in the Aqaba region in front of decision makers in banks to gain benefit from them in the future.

Problems of the study:

This study will address the factors affecting the credit facilities in commercial banks in Aqaba Special Economic Zone authority, from the study sample point of view, so this study came to answer the following questions:

Is credit facilities consider the customer's borrowers, Credit policies, central administration of the loans, and environmental conditions of the local economy an important factor affecting the credit facilities in commercial banks in Aqaba Special Economic Zone authority.

The study population and appointed:

The study population consisted of thirteen branches managers of commercial banks in the Aqaba Special Economic Zone and their assistants and heads of departments credit facilities and credit facilities staff in Aqaba Special Economic Zone, They are experienced in the field of credit facilities where researchers distributed (67) questionnaire on the study population and distributed as follows: (13) questionnaire on branch managers and (11) questionnaire to the assistants branch managers and (11) questionnaire to the heads of credit facilities departments and (30) questionnaire for credit facilities staff.

Hypotheses:

Based on the factors that researcher felt it through personal interviews with branch managers and their assistants and heads departments of credit facilities and staff branches commercial banks in Aqaba Special Economic Zone and after reviewing some previous studies, the following hypotheses found:

1. The credit facilities related to customers borrowers is an important factor affecting the credit facilities in the commercial banks in Aqaba Special Economic Zone.
2. The credit facilities related to the Credit policies is an important factor affecting the credit facilities in the commercial banks in Aqaba Special Economic Zone.
3. The credit facilities related to the central administration of the loans is an important factor affecting the credit facilities in the commercial banks in Aqaba Special Economic Zone.

4. The credit facilities related to the environmental conditions of the local economy is an important factor affecting the credit facilities in the commercial banks in Aqaba Special Economic Zone.

Data analysis method:

The study depended on descriptive analysis method using statistical tables, such as:

1. An account of frequencies, percentages, arithmetic mean and standard deviation.
2. To test the normal distribution of the factors affecting the credit facilities in commercial banks in Jordan were used (Kolmogorov-Smornov Z) for each individual paragraph.
3. T test was used per sample to test hypotheses.

Theoretical framework: -

Commercial banks are not only just receiving various kinds of deposits, but play a vital a role of developing the national economy, the commercial banks are the cornerstone of the banking system because they affect the size of money supply in the market, They serve an important function as accepting deposits and granting loans and affect the volume of money in the market (Khasawneh, 1999), in the beginning Traders and rich people they used to keep their money with the jewelers and pay money against this service, but the accumulation of these funds make jewelers think of lending the money and gaining interest against such service, This was the beginning of the idea of credit facilities in the Middle Ages (Khasawneh 1999) and the idea developed and caused the establishment of the first bank in City of Venice the year 1587 and then in Amsterdam in 1609 (Alameen, 1980).

Banking credit:

Banking credit is one of the most attractive banking activities for the banks management, but it is also a very sensitive and dangerous, because it is considered as important investment for the commercial banks, may lead the bank to bankruptcy or access to the very high profits (Al-Zubaidi, 2002)

Credit:

Credit is the confidence of the bank to its customer to give him a certain amount, to be used in a particular purpose for a certain period, and payment is made under specific conditions, and provide guarantees for the bank to recover his loan. (Alshwahdi, 2003).

Importance of bank credit: -

Bank credit is important for the development of the national economy, but excessive lead to inflationary gap (Khudairi, 1987), so (Catheart, 1982) clarified that bank credit is important in the comparison between financial sources, As (Al-Zubaidi, 2002) explained that the issuing policy in the central bank depends on the size of the credit facilities granted by commercial banks, And (Hamzawi, 1997) clarified that the size of bank credit determines spending and purchasing power available in the economy, and increase saving and reduce consumption, and (Abu Karsh, 2005) explained that the Bank's management seeks to maximize profit by granting credit facilities to trusted customers.

Types of credit facilities: -

Direct credit facilities: loan advances constitute more commonly used types of bank credit (Matar, 2000) the overdraft was the most important type, but banks had limited use of it because it has a high financial risk and the inability to control its use (Hammoud, 1993), the third type is the discounted bills which are used in commercial transactions to regulate forward sales relations.

Indirect credit facilities: the letters of guarantee is an important form to accomplish a specific economic activity (Al Najjar, 1997). As for the letter of credit that facilitates the work of traders according to specific conditions (Irsheid and joideh 1999).

The last type is financial leasing, which makes it easier for household and business sectors (Zaida, 2006).

Cognitive criteria for the granting of credit: (Zubaidi, 2002) clarified that the 5c's model Which determines the accuracy of credit decision, Which depends on the personality of the client, the ability to borrow, the client's capital, security and economic conditions.

The literature review:-

The study of (Qzawa, 1999), which talks about the experience of Japanese banks in the granting of credit facilities and the creation of investment in the certain sectors, and to regulate such operations which are an important issue in order to formulate successful strategy for rapid industrial growth, and through the external or internal lending, but the Japanese economy it favor the domestic borrowing.

But (Khudair, 1988) his Study concluded the factors affecting the ability of banks to lend is the volume of deposits in

commercial banks, to reconcile between liquidity and profitability, and banking legislation that limit the ability of commercial banks on excessive lending.

And (Aqel, 2001) clarified that the granting of credit facilities includes several steps are: ensure the safety of legal documentation and to be ensure of compliance client conditions contracted, and make sure of client's obligation to pay on time, and provide guarantees and validated.

This study of (Hussain, 1985) showed that the sound decision of credit is that the bank should focus on the documents requested from customers before lending, and inquire about customers financial conditions, and evaluation of the collateral for lending purposes, the study concluded that in order to sound results of lending there must be a sound study.

The Study of (Tarawneh, 2002) which aimed at finding solutions to the problems facing granting bank credit, The study clarified that the need for management's attention to provide direction and guidance for customers to invest their money, publish banking awareness among all groups, human resources development operating in the commercial banks, need to reconsider the credit policies of commercial banks in order to match the reality of the economic situation.

Study of (Althaher and others, 2007) showed the most important reasons for faltering debt in Palestinian banks: inadequate results of studies credit, lack of information, and lack of follow-up customers after granting facilities, non-use client for a loan for the purpose for which it was granted, unjustified expansion in investment, and the change in customer behavior and credibility.

Study of (Kharboush and Abadi, 2004) which determine the factors affecting the performance of the loan portfolio and credit facilities to the Jordanian banking sector, and was concluded a positive relationship between the performance of the loan portfolio of commercial and investment banks and between: the size of the bank, capital adequacy ratio, the employment of deposits in loans, the average return on the loan portfolio, the rate of spending on advertising.

The Study of (Thaher and Alamrat, 2006) aimed to examine the Age range for granting credit, a pre-credit granting phase and the implementation credit phase and post-grant credit phase, and the parties involved as the bank branch, facilities management and senior management, The results showed no statistically significant relationship between each of the pre-stage granting credit and implementation credit phase of the one hand and between the faltering facilities on the other hand, the most important recommendation is to activate the dimensional control to increase the efficiency of collection .

Study (Malla and Thaher, 1999) identify the extent of adoption of the bank management on objective criteria for assessing the eligibility of the client for direct credit facilities, the study explained that the administration in Jordanian banks actually used a set of criteria as financial, accounting, marketing, trade, economic and administrative, but the regulatory and legal standards are more important than other standards.

Study of (Abu Muammar, 2007) examines the quality and objectivity of credit facilities provided, and the extent to which banks prepare feasibility studies for the projects to be financed in Palestine, in addition to the role of banks in the development of various economic sectors and that from the viewpoint of the owners and managers of companies, and the study concluded that the quality and objectivity of the guarantees is differed according to economic sectors. The study recommended that banks should prepare feasibility studies for the financed projects.

Study of (Al-Hajj, 2004) to know the criteria for the decision of granting direct credit facilities in the Palestinian Islamic banks, the study found that the most significant is the ability to pay, guarantees, profitability and feasibility study for the projects.

Discuss the results of the study and hypotheses

First: personal factors:

Table 1. Distribution of study sample depending on personal factors

| First: Gender | Frequency | Percentage% |
|-------------------------------------|------------------|--------------------|
| Male | 46 | 70.8 |
| Female | 19 | 29.2 |
| Second: The Age | | |
| Equal to or less than 30 | 32 | 49.2 |
| From 31-40 | 22 | 33.8 |
| From 41-50 | 11 | 16.9 |
| Third: Qualification | | |
| Diploma | 8 | 12.3 |
| Bachelor | 48 | 73.8 |
| Master | 9 | 13.8 |
| Fourth: The Current Position | | |
| Branch Manager | 13 | 20.0 |
| Deputy Director | 11 | 16.9 |
| Head of Facilities department | 11 | 16.9 |
| facilities Staff | 30 | 46.2 |
| Fifth: Monthly salary | | |
| Equal to or less than 300 | 7 | 10.8 |
| From 301 to 500 | 21 | 32.3 |
| From 501-700 | 13 | 20.0 |
| More than 701 | 24 | 36.9 |
| Sixth: The Experience | | |
| From 1-5 | 16 | 24.6 |
| From 6-10 | 26 | 40.0 |
| From 11-15 | 14 | 21.5 |
| Equal to or greater than 16 | 9 | 13.8 |

The previous table shows the distribution of the study sample depending on personal factors, where the distribution was as follows:

- Gender: The percentage of males (70.8%), and the percentage of females (29.2%).
- Age: The vast majority of the study sample were of the age group that is less than 30 years old, with a percentage (49.2%).
 - Qualification: most members of the study sample were holding a bachelor's degree, with a percentage (73.8%).
- Current Position: The percentage of heads of departments (16.9), and the proportion of Assistant Director (16.9%), and the proportion of branch manager (20.0%).
 - Monthly Salary: Most members of the study sample salary more than 300 diners.
- Years of Experience: The percentage of those who have experienced at least 5 years (24.6%), and have experience ranging between (5-10) years (40%), and have experience ranging between (10-15) years (21.5%), and was the percentage of experience for over 15 years (13.8%).

Test (Kolmogorov-Smornov Z) to the problems of the credit facilities:

To test the normal distribution of the factors affecting the credit facilities in commercial banks in Jordan was

used(Kolmogoroy-Smornoy Z) for each individual paragraph, and using (95%) of confidence level and it show that the distribution of responses in this study is natural by the fact that the value of P calculated for all less than paragraphs (0.05).

Table 2. Test results (Kolmogorov-Smornov Z) to the problems of credit facilities.

| Paragraph | The value of the test | P value |
|---|-----------------------|---------|
| 1. The customer has sufficient investment awareness. | 1.833 | 0.002 |
| 2. Financial customers should be suitable. | 2.707 | 0.000 |
| 3. Customers have the awareness of administrative and technical enough to run their business. | 2.022 | 0.001 |
| 4. Customers Offers sufficient information and data to the bank. | 1.743 | 0.005 |
| 5. There is no forcing for the client of the way to use the loan. | 2.411 | 0.000 |
| 6. Loan funds are used usually as agreed at the time applied for the loan. | 1.691 | 0.007 |
| 7. Customers usually are committed to pay premiums at the time maturity date. | 1.726 | 0.005 |
| 8. Does not happen any problems between the bank and personal guarantors of the customers. | 1.494 | 0.023 |
| 9. The customer's reputation taken into consideration when granting the loan. | 2.764 | 0.000 |
| 10. The size of the market share of the client are taken into account when granting the loan. | 2.498 | 0.000 |
| 11. The diversity of the client activities taken into account when granting the loan. | 2.606 | 0.000 |
| 12. Economic feasibility studies are prepared for Projects to be financed. | 1.916 | 0.001 |
| 13. The customer credit history studied when granting the loan. | 2.490 | 0.000 |
| 14. Credit facilities requested by customers to repay loans due to other banks. | 2.897 | 0.000 |
| 15. Credit policy drawn through the case study. | 2.856 | 0.000 |
| 16. Interest rates are determined for loans granted easily. | 2.389 | 0.000 |
| 17. Loans pursued through the periodic reports provided by the customer. | 1.982 | 0.001 |
| 18. Loan guarantees assessed accurately and credibility. | 3.103 | 0.000 |
| 19. Officials of credit are able to analysis credit. | 2.539 | 0.000 |
| 20. Documentation of debt is accurately and legally. | 2.845 | 0.000 |
| 21. Negotiating with the bank by customers regarding loan discount mechanism is possibility. | 2.566 | 0.000 |
| 22. Availability of collateral is a key factor in the granting of loans. | 2.074 | 0.000 |
| 23. It is possibility that the value of collateral is greater than the amount of loan required. | 1.946 | 0.001 |
| 24. The purpose of the loan application by the client affects the decision granting of the loan. | 2.150 | 0.000 |
| 25. Deducting interest mechanism depends on the type of loan required. | 1.656 | 0.008 |
| 26. There is no delay from loan administration to determine whether to issue or not. | 3.108 | 0.000 |
| 27. No excesses by loan administration of credit policy instructions. | 2.024 | 0.001 |
| 28. Loan administration officials had technical skills in the areas of accounting and financial analysis, planning and reporting. | 2.332 | 0.000 |
| 29. Relationship, coordination and communication between the central administration of the loans and branch staff is strong. | 2.637 | 0.000 |
| 30. There are properly processing by management regarding the scheduling and settlement of bad debts for some customers. | 2.687 | 0.000 |
| 31. Loan committees formed by central loan administration are strong and | 2.725 | 0.000 |

| | | |
|--|-------|-------|
| effective. | | |
| 32. The central credit management has effective methods to control the risks of loans. | 2.649 | 0.000 |
| 33. There are sufficient powers with branch management of provision any type of loans. | 2.375 | 0.000 |
| 34. Proportion of high-income borrowers is high. | 2.658 | 0.000 |
| 35. Low level of unemployment. | 1.822 | 0.003 |
| 36. Customers have banking culture and awareness. | 1.933 | 0.001 |
| 37. Political situation generally is suitable in the region. | 2.962 | 0.000 |
| 38. Positive competition is available between commercial banks in Aqaba. | 2.880 | 0.000 |
| 39. Government decisions affecting the financial and marketing capabilities of customers. | 2.564 | 0.000 |
| 40. Legal and legislative restrictions are available on loans by the Country. | 2.287 | 0.000 |
| 41. Stability of interest rates in the banks for long periods. | 1.962 | 0.001 |
| 42. Economic situation in the Governorate of Aqaba are acceptable. | 2.025 | 0.001 |
| 43. Department of Credit facilities deals honestly and credibility with legislations and laws issued by monetary policy. | 3.330 | 0.000 |

Second: discuss factors study and test of hypothesis:

First factor: Factors affecting the credit facilities related to customers borrowers:

Table 3: Expressing the Arithmetic means and standard deviations for the first factor.

| Paragraph | arithmetic mean | Standard deviation | Approval rate |
|--|-----------------|--------------------|---------------|
| 1. The customer's reputation taken into consideration when granting the loan. | 4.53 | 0.689 | 90.63 |
| 2. The customer credit history is studied when granting the loan. | 4.42 | 0.586 | 88.44 |
| 3. Financial customers should be suitable. | 4.39 | 0.553 | 87.81 |
| 4. The diversity of the client activities taken into account when granting the loan. | 4.11 | 0.669 | 82.19 |
| 5. The size of the market share of the client are taken into account when granting the loan. | 4.11 | 0.693 | 82.19 |
| 6. Customers Offers sufficient information and data to the bank. | 4.02 | 0.917 | 80.31 |
| 7. Credit facilities are requested by customers to repay loans due to other banks. | 3.73 | 1.087 | 74.69 |
| 8. Economic feasibility studies are prepared for Projects to be financed. | 3.68 | 1.175 | 73.65 |
| 9. There is no forcing for the client of the way to use the loan. | 3.48 | 1.127 | 69.69 |
| 10. Loan funds are used usually as agreed at the time applied for the loan. | 3.41 | 1.065 | 68.13 |
| 11. Customers have the awareness of administrative and technical enough to run their business. | 3.17 | 0.865 | 63.44 |
| 12. Customers usually are committed to pay premiums at the time maturity date. | 3.16 | 0.963 | 63.13 |
| 13. Does not happen any problems between the bank and personal guarantors of the customers. | 3.11 | 0.945 | 62.19 |
| 14. The customer has sufficient investment awareness. | 3.06 | 0.833 | 61.25 |
| ◉Average | 3.74 | 0.869 | 74.84 |

The previous table shows that all paragraphs got a positive arithmetic averages ranged between (3.06-4.53), with

average (3.74) which is positive arithmetic rate.

To test first hypothesis study, the researcher using t test per sample, and the following table shows:

Table 4. T test results per sample to test first hypothesis study

| | | | |
|----------|-----------------------|--------------------|------------|
| T Value. | The degree of freedom | Significance level | T. indexed |
| 19.032 | 63 | 0.000 | 3.0000 |

Through previous table that calculated T value was larger than T. indexed at level less than (0.05) which indicates that the credit facilities related to customers borrowers important factor affecting the credit facilities in Aqaba commercial banks.

Second factor: factors affecting the credit facilities related to credit policy:

Table 5: Expressing the Arithmetic means and standard deviations for the second factor.

| Paragraph | arithmetic mean | Standard deviation | Approval rate |
|---|-----------------|--------------------|---------------|
| 1. Documentation of debt is accurately and legally. | 4.47 | 0.503 | 89.38 |
| 2. Loan guarantees are assessed accurately and credibility. | 4.41 | 0.495 | 88.13 |
| 3. Availability of collateral is a key factor in the granting of loans. | 4.23 | 0.886 | 84.69 |
| 4. Officials of credit are able to analysis credit. | 4.08 | 0.741 | 81.56 |
| 5. Credit policy is drawn through the case study. | 4.06 | 0.560 | 81.25 |
| 6. Loans are pursued through the periodic reports provided by the customer. | 4.02 | 0.984 | 80.31 |
| 7. It is possibility that the value of collateral is greater than the amount of loan required. | 3.89 | 1.086 | 77.81 |
| 8. Negotiating with the bank by customers regarding loan discount mechanism is possibility. | 3.88 | 0.701 | 77.50 |
| 9. The purpose of the loan application by the client affects the decision granting of the loan. | 3.72 | 1.147 | 74.38 |
| 10. Deducting interest mechanism depends on the type of loan required. | 3.55 | 1.097 | 70.94 |
| 11. Interest rates are determined for loans granted easily. | 3.30 | 1.034 | 65.94 |
| Average | 3.96 | 0.840 | 79.26 |

Previous table shows that all paragraphs expressing second study factor have got a positive arithmetic averages ranged between (3.30-4.47), and reached overall rate (3.96) is positive arithmetic rate.

To test second hypothesis study, the researcher using t test per sample, and the following table shows:

Table 6. T test results per sample to test second hypothesis study:

| | | | |
|----------|-----------------------|--------------------|------------|
| T Value. | The degree of freedom | Significance level | T. indexed |
| 15.314 | 63 | 0.000 | 3.0000 |

Through previous table that calculated T value was larger than T. indexed at level less than (0.05) which indicates that the credit facilities related to credit policy important factor affecting the credit facilities in Aqaba commercial banks.

Third factor: Factors affecting the credit facilities related to central management of loans:
 Table 7: Expressing the Arithmetic means and standard deviations for the third factor.

| Paragraph | arithmetic mean | Standard deviation | Approval rate |
|--|-----------------|--------------------|---------------|
| 1. No excesses by loan administration of credit policy instructions. | 4.27 | 0.718 | 85.31 |
| 2. The central credit management has effective methods to control the risks of loans. | 4.20 | 0.622 | 84.06 |
| 3. Loan committees formed by central loan administration are strong and effective. | 4.14 | 0.614 | 82.81 |
| 4. There are sufficient powers with branch management of provision any type of loans. | 3.97 | 0.796 | 79.38 |
| 5. There are properly processing by management regarding the scheduling and settlement of bad debts for some customers. | 3.77 | 1.080 | 75.31 |
| 6. There is no delay from loan administration to determine whether to issue or not. | 3.64 | 1.014 | 72.81 |
| 7. Relationship, coordination and communication between the central administration of the loans and branch staff is strong. | 3.56 | 0.974 | 71.25 |
| 8. Loan administration officials had technical skills in the areas of accounting and financial analysis, planning and reporting. | 3.55 | 1.053 | 70.94 |
| Average | 3.89 | 0.859 | 77.73 |

previous table shows that all paragraphs expressing third factor got a positive arithmetic averages ranged between (3.55-4.27), and the paragraph (No excesses by loan administration of credit policy instructions.) on top, and paragraph (Loan administration officials had technical skills in the areas of accounting and financial analysis, planning and reporting.) on the lowest, and reached overall rate (3.89) that shows a positive arithmetic rate.

To test third hypothesis study, the researcher using t test per sample, and the following table shows:

Table 8. T test results per sample to test third hypothesis study:

| T Value. | The degree of freedom | Significance level | T. indexed |
|----------|-----------------------|--------------------|------------|
| 16.476 | 63 | 0.000 | 3.0000 |

Through previous table that calculated T value was larger than T. indexed at level less than (0.05) which indicates that the credit facilities related to Centralized management of loans important factor affecting the credit facilities in Aqaba Special Economic Zone Authority commercial banks.

Fourth factor: Factors affecting the credit facilities related to environmental conditions of the local economy.

Table 9: Expressing the Arithmetic means and standard deviations for the fourth factor.

| Paragraph | arithmetic mean | Standard deviation | Approval rate |
|---|-----------------|--------------------|---------------|
| 1. Department of Credit facilities deals honestly and credibility with legislations and laws issued by monetary policy. | 4.19 | 0.507 | 83.87 |
| 2. Positive competition is available between commercial banks in Aqaba. | 3.98 | 0.587 | 79.68 |
| 3. Government decisions affecting the financial and marketing capabilities of customers. | 3.82 | 0.840 | 76.45 |
| 4. Political situation generally is suitable in the region. | 3.77 | 0.584 | 75.48 |
| 5. Economic situation in the Governorate of Aqaba are acceptable. | 3.32 | 0.971 | 66.45 |

| | | | |
|--|-------------|--------------|--------------|
| 6. Stability of interest rates in the banks for long periods. | 2.87 | 0.799 | 57.42 |
| 7. Low level of unemployment. | 2.85 | 0.903 | 57.10 |
| 8. Legal and legislative restrictions are available on loans by the Country. | 2.77 | 0.895 | 55.48 |
| 9. Customers have banking culture and awareness. | 2.60 | 0.839 | 51.94 |
| 10. Proportion of high-income borrowers is high. | 2.53 | 0.824 | 50.65 |
| Average | 3.27 | 0.775 | 65.45 |

Previous table shows that paragraphs expressing fourth factor study, which got a positive arithmetic averages ranged between (3.32-4.19) of paragraph (1-5). Moreover, Negative arithmetical averages ranged between (2.53-2.87), paragraph (6-10) the overall rate (3.27) is positive arithmetic rate.

To test fourth hypothesis study, the researcher using t test per sample, and the following table shows:

Table 10. T test results per sample to test fourth hypothesis study:

| T Value. | The degree of freedom | Significance level | T. indexed |
|----------|-----------------------|--------------------|------------|
| 5.290 | 61 | 0.000 | 3.0000 |

Through previous table that calculated T value was larger than T. indexed at level less than (0.05) which indicates that Factors affecting the credit facilities related to environmental conditions of the local economy is an important factor affecting the credit facilities in commercial banks.

Recommendations:

Although the study showed that all factors are important to the credit facilities in commercial banks, but we must draw some recommendations through the general situation of credit facilities in Aqaba, and also through the Answers of the study sample, so the researcher note some of the recommendations, which will be placed front of decision-makers in the commercial banks to be applied:

1. Bank management must before granting productivity and consumer loans access to primary and detailed feasibility studies.
2. Bank's management to reconsider the quality guarantees that request
3. Central administration should give Permissions to the branch management to grant loan, with the activation of dimensional control.
4. Bank's management Need to adopt clear standard for granting productivity loans.
5. Loan officers they need to renew their knowledge constantly through specialized courses in financial analysis, and evaluation of guarantees.
6. Bank management must provide lectures to local community and institutions on how to use loan optimally.
7. Put strict instructions show that the responsibility of success financing process and follow up processes and collection is responsibility for all bank's employees.
8. Management must create incentives system and rewards for everyone who contributes in the collection of loans.
9. Programs must be developed to follow up loans after granting them to customers until client pay the entire loan.
10. Management must fight administrative excesses that lead to lack of justice in dealing with customers.
11. Customer must have administrative awareness and technical enough to run their loans and to ensure premiums payment owed to the bank on time.
12. Researchers should benefit from this study and work on various studies with different variables.

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