

The Micro and small Enterprises (MSEs) sector in Kenya plays an important role in the socio-economic development of the country. Its significance can be seen in terms of contribution towards economic growth, employment creation, poverty reduction and development of an industrial base. They are also breeding grounds for entrepreneurship, innovations and inventions. In Trans Nzoia East District, the MSEs have not grown to notable *levels* often citing lack of adequate finance. The Kenyan financial system is marked by dualistic structure i.e. formal and informal financial markets. The objective of the study was to investigate the factors determining accessibility of microfinance by rural micro and small enterprises in Trans Nzoia East District, Kenya. The constraints faced in accessing micro finance by MSEs were addressed. The study was intended to be of help to individual entrepreneurs, investors, banks, microfinance institutions, the government as well as other researchers and in creating and facilitating enabling credit policies to MSEs in Kenya. A sample of 197 MSEs drawn from the district county council were randomly selected from their areas of operation. The data was collected by use of descriptive survey method which involved interviewing or administering questionnaires to MSEs in the district. After conducting data collection, the researcher received 180 complete responses showing a response rate of 91 % which was adequate. The data collected were analyzed using descriptive statistics with the help of Ms Excel Computer Package. The data was then presented in tables and pie charts. The results showed that repayment rates and collateral were considered important factors in determining accessibility of microfinance credit to rural micro and small enterprise. A big proportion of the MSEs (71 %) considered collateral an important determinant of access to microfinance credit. Most of the MSEs (52%) considered repayment rates charged by financial institution too high and this is the reason why majority of them (60%) have never accessed micro finance credit. Gender, types of employment, age, education level, size and length of existence of the business were considered not important in accessing micro finance credit. The study also showed that only 4% of the MSEs which have ever accessed loans have obtained it from the government. The researcher calls for a repeat of the research study in urban areas with the objective of establishing the factors determining accessibility to microfinance credit by urban MSEs. This might facilitate comparison of business performance of MSEs from urban centers and those of rural areas.