If you just sit and wait for government subsidies, you will never build a better life in your home.

—Page 14

In Honduras, two-thirds of the population lives in extreme poverty and only 20 percent of the economically active population has access to traditional financial products such as mortgages.

—Page 20
The package that IFC helped craft included both high-quality materials and free engineering advice from U.S. experts.

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IFC spent three years advising lenders and surveyors and working for the passage of a law that both created a level field for lenders to make mortgage loans in Ghana. By June 2009, the country’s mortgage portfolio had almost tripled.

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In this publication you will find a collection of stories of people from all over the world who changed their lives by securing a loan to buy, build, or improve their home. Their stories—better than any statistics or numbers—illustrate how access to housing finance can make a real difference in people’s lives.

For many people in developing countries, buying, expanding or improving their home is only possible through housing loans. Without financing, most of these households must rely on rental housing or face long periods of self-funded construction that lasts an average of 10 years and often costs 30 percent more as a result. Furthermore, the absence of long-term financing often leads to poor construction quality and limits the supply of affordable housing.

Developing housing finance to extend loans to people has much broader impact than just providing affordable shelter. Profound multiplier effects from housing finance resonate through many related industries leading to more jobs, improved health, and better education. These effects are even greater in developing countries, where a home often serves as a place for doing business, thus also generating greater economic activity. Recent evidence suggests that for every new job in construction, one or two jobs are generated in other industries such as construction materials, production, transportation or logistics.

In developing countries, more than one billion low-income people—one out of every seven people—currently live in slums that often lack basic infrastructure such as water and sanitation. This number is projected to jump as countries rapidly urbanize. According to UN-Habitat, by 2030, three billion urban dwellers, or about 40 percent of the world’s population, will need housing. This creates demand for at least 565 million new residential units. The lack of affordable housing generates market opportunities for investors, lenders, builders, and developers.

For more than 20 years, we at IFC have pioneered housing finance solutions in countries as diverse as Colombia, India, Ghana, Haiti, Albania, Yemen, and Indonesia through mortgage lending, microloans for home improvements, and increased energy efficiency. By doing so, we establish important linkages
ON THE COVER

IFC worked with financial institutions, surveyors, investors, and policy makers to mainstream mortgage lending in Ghana. In just three years, the country’s mortgage portfolio had almost tripled.
between financial institutions, construction companies and government stakeholders. To date, IFC has invested $2.9 billion in housing finance projects and worked with 85 financial intermediaries in 46 countries to launch or expand housing finance operations. Our aspiration is to create opportunities for better and safer homes in developing markets, leading to more jobs, increased welfare and better living standards.

*Peer Stein, Director*
*Access to Finance Advisory Services, IFC*

*James Scriven, Director*
*Financial Institutions Group, IFC*

**ABOUT IFC**

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. Working with private enterprises in more than 100 countries, we use our capital, expertise, and influence to help eliminate extreme poverty and promote shared prosperity. In FY13, our investments climbed to an all-time high of nearly $25 billion, leveraging the power of the private sector to create jobs and tackle the world’s most pressing development challenges. For more information, visit [www.ifc.org](http://www.ifc.org).
**FIG. 3** HOME LOAN MARKET PENETRATION BY REGION

- **EAST ASIA & PACIFIC**
  - Outstanding loan for home construction: 5.4%
  - Outstanding loan to purchase a home: 4.4%
- **EUROPE & CENTRAL ASIA**
  - 1.8%
- **LATIN AMERICA & CARIBBEAN**
  - 1.8%
- **MIDDLE EAST & NORTH AFRICA**
  - 7.7%
- **SOUTH ASIA**
  - 2.4%
- **SUB-SAHARAN AFRICA**
  - 2%

Note: Developing countries only, population aged 15 and older

*Source: Global Findex Database, World Bank, 2012*

**FIG. 4** ANNUAL URBAN POPULATION GROWTH RATES BY REGION (2015–2050)

- **SUB-SAHARAN AFRICA**
  - 2.9%
- **SOUTH ASIA**
  - 2.7%
- **EAST ASIA & PACIFIC**
  - 1.6%
- **MIDDLE EAST & NORTH AFRICA**
  - 1.5%
- **LATIN AMERICA & CARIBBEAN**
  - 1.1%
- **EUROPE & CENTRAL ASIA**
  - 0.6%
- **NORTH AMERICA**
  - 0.4%

GLOBAL GAP, GLOBAL CHALLENGE

New Housing Needed for 3 Billion People; Sustainable Future Requires ‘Green’ Construction

Urbanization is on the rise across most emerging markets: rural populations rapidly migrate to cities, increasing the demand for new homes, public infrastructure, factories, transportation, offices and shopping centers. By 2030, there will be more than 8 billion people on the earth, and three out of five will live in cities. At present, about 5 million people are added to urban population every month through birth or migration.

Rapidly changing structural patterns in demographics and infrastructure result in an increasing housing deficit. Low-income families are particularly vulnerable in this situation as they are often forced to find shelter at the fringes of the cities or in an informal settlement with poor construction standards and no access to clean water. Without access to affordable finance to buy or build shelter, they lack the means to improve their living conditions.

Increased migration to urban areas is also associated with growing consumption of resources, leading to a greater strain on infrastructure and higher carbon emissions. Almost 40 percent of all energy generated across the world is used to cool, light and ventilate buildings. Furthermore, greenhouse gas emissions related to buildings are set to double by 2030, with most of the increase taking place in emerging markets. As a result, environmentally friendly solutions in housing and construction are necessary to ensure sustainable development of cities in the long term.

BARRIERS TO HOUSING FINANCE

Multiple impediments severely limit access to housing and housing finance. The most significant constraint is a fragile and poorly regulated enabling environment, which encompasses the laws, regulations and market infrastructure that should enable conditions conducive to housing finance. For example, a weak enabling environment can be the result of ill-functioning property appraisal regimes or non-transparent property markets. In addition, consumers often lack financial literacy and an understanding of mortgage products, and are not aware of the risks related to taking out a mortgage loan. For instance, in many Sub-Saharan African countries co-existing customary and statutory laws lead to unreliable title documents and border

- **South Asia:**
  - Mortgage penetration: 5%
  - Mortgage depth: 2%

- **Sub-Saharan Africa:**
  - Mortgage penetration: 2%
  - Mortgage depth: 2%

- **Latin America & Caribbean:**
  - Mortgage penetration: 3%
  - Mortgage depth: 6%

- **Middle East & North Africa:**
  - Mortgage penetration: 3%
  - Mortgage depth: 7%

- **Europe & Central Asia:**
  - Mortgage penetration: 8%
  - Mortgage depth: 11%

- **East Asia & Pacific:**
  - Mortgage penetration: 15%
  - Mortgage depth: 31%

- **North America:**
  - Mortgage penetration: 35%
  - Mortgage depth: 65%

*Source: Global Findex Database, World Bank, 2012*

FIG. 6 CO₂ EMISSIONS FROM ELECTRICITY AND HEAT PRODUCTION (% OF TOTAL FUEL COMBUSTION)

- **United States:** 48%
- **Turkey:** 42%
- **Indonesia:** 36%
- **India:** 58%
- **China:** 53%
- **World:** 48%
- **Sub-Saharan Africa:** 56%
- **Middle East & North Africa:** 40%
- **Latin America & Caribbean:** 34%
- **Europe & Central Asia:** 53%
- **East Asia & Pacific:** 51%

*Source: International Energy Agency Statistics, 2012*
conflicts. This results in higher transaction costs for acquiring or mortgaging land, with rates as high as four to nine percent in these markets as compared to the US market where this cost is 0.5 percent.

Another impediment limiting the supply of housing finance is the inability to adequately assess borrowers’ creditworthiness due to the absence of credit bureaus or the informal nature of their income. Consequently, lenders usually do not offer special housing finance products that target low-income households. In addition, banks in emerging markets are in need of established practices for managing risks and liquidity in housing finance portfolios.

And finally, to launch a new housing lending product, financial intermediaries in emerging markets need long-term local currency funding. This is not always readily available in smaller local capital markets where the lack of a diversified investor base and viable secondary market are hurdles for developing affordable local housing finance products.

Due to these impediments, the majority of developing countries in Sub-Saharan Africa, Central America and the Caribbean, and South East Asia have a substantial unmet demand for housing finance. As a result, low-income households have to rely on relatives, friends or loan sharks to finance a home purchase or to renovate an existing home.

**INTEGRATED MODELS OFFER SOLUTIONS FOR MANY**

The current situation requires integrated models, addressing both the supply and the demand side of housing and housing finance. Wide access to affordable housing is impossible without improved linkages between financial institutions, construction companies and other stakeholders.

Sustainable housing solutions also require more green investments, which support resource-friendly, energy-efficient construction technologies and materials, and reduce consumption of water and electricity by 20 percent. Slums and informal settlements can be dangerous for people’s health in addition to being detrimental to the environment, as they consume more resources and have higher utility costs than green buildings.

In countries where water consumption and carbon emissions from electricity generation are high, significant opportunities for green investments emerge. Yet green construction depends on improved coordination among investors, developers, manufacturers, energy service companies, financial institutions and municipal governments, as well as for those who own, live, and work in green buildings.
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24  Better Living Conditions for Less Than $100 a Month
Household expenditure for electricity, gas and other fuels surpass EU:

HIGH INCOME WESTERN EUROPEAN COUNTRIES

4%

DEVELOPING EASTERN EUROPEAN COUNTRIES

10%

Note: Expenditure for electricity, gas, other fuels in percentages of household income

Source: Eurostat, UniCredit CEE Strategic Analysis
Apartment building No. 39 on Tekucheva Street in Russia’s Rostov-on-Don was much like its shabby neighbors, with old windows, loose doors, and outdated electrical wiring. The inside was cold and dark, and light bulbs burned out early.

The building management company called OOO ZHKKH did not have enough money to renovate, so it applied for a loan from Center-Invest Bank based in Rostov-on-Don. OOO ZHKKH used 5 million rubles ($167,000) for a variety of energy efficiency measures—installing new windows, energy-saving light bulbs, gas and water meters, and repairing roof, water supply, heating, and sewage systems.

As a result, now residents pay only for the resources that they actually consume, unlike before, when the cost was charged evenly by unit, providing no incentive to save energy. Savings on heat reached 16 percent, or more than $9,000 a year, which helps pay for building maintenance. The modernization also provided electricity savings of 20 percent and OOO ZHKKH used the savings to repair the building’s entrance. Homeowners’ association chairman Anatoliy Antonenko says: “If you just sit and wait for government subsidies, you will never build a better life in your home.”

The residential housing sector in Russia consumes 20 percent of the country’s electricity and 60 percent of its heat. As the second-largest end-user of energy after manufacturing, the sector holds a great opportunity for energy savings.

The market potential for new financing of capital repairs in residential housing is estimated at $4 billion to $13 billion.

In 2009, with support from IFC’s Russia Residential Energy Efficiency Project, Center-Invest opened a special lending program for homeowners’ associations for repairs and other energy-saving measures in apartment buildings. As of June 2013, Center-Invest had issued loans totaling $2.2 million that benefited 5,224 apartments.

In 2011, Center-Invest launched a complementary lending program for homeowners to finance energy-saving measures and appliances in individual houses and apartments. So far, the lender has issued loans totaling $38 million that benefited 3,212 houses and 1,615 apartments.

IFC’s Russia Residential Energy Efficiency Project works through Russian commercial banks to stimulate investment in the energy-efficiency modernization of residential buildings, with the goal of reducing carbon dioxide emissions in Russia. In addition, IFC aims to address key legal, regulatory, and institutional barriers to make it easier for housing management companies, homeowners associations, and individual homeowners to make energy-saving renovations, and to make it more attractive for commercial banks to provide the necessary financing.
The residential housing sector in Russia consumes 20 percent of the country’s electricity and 60 percent of its heat. As the second-largest end-user of energy after manufacturing, the sector holds a great opportunity for energy savings.
Percentage of people who have a loan from a formal financial institution for home construction:

**LATIN AMERICA & CARIBBEAN**

1.8%

**REST OF THE DEVELOPING WORLD**

5%

*Source: Global Findex Database, World Bank, 2012*
The need for housing finance in Haiti surged after the January 2010 earthquake that leveled the capital city of Port-au-Prince.

Sogesol, a leading Haitian microfinance lender, asked IFC in 2011 to help it improve a long-standing housing finance product called Kredi Kay, which was aimed at individual customers—both informal workers and salaried employees—who wanted to pay for housing improvements.

Given Haiti’s propensity to earthquakes and hurricanes and its inadequate construction methods, IFC recommended that Kredi Kay involve not only financing, but also safer building materials and techniques. The package that IFC helped craft included both high-quality materials and free engineering advice from internationally reputed experts for each Kredi Kay client.

One of the first to take advantage of this package is Vinette Innocent, 45, who works as an administrative assistant for the Haitian National Police in Croix-des-Bouquets, a suburb of Port-au-Prince. The 2010 earthquake had destroyed her house in Port-au-Prince with a view of the surrounding mountains.

Innocent secured a $2,342, 14-month Kredi Kay loan to rebuild her two-bedroom house with a porch, and a new second floor to make it “better and nicer” for herself, her husband, two daughters, and son.

*Kredi Kay is a helping hand for my project and the technical support from the engineer helped me a lot,” Innocent says.

To improve the quality of houses built with Kredi Kay financing, IFC helped Sogesol set up two partnerships. One was with Gilbert Bigio Group, a Haitian company that supplies high-quality construction materials to hardware stores.

The other partnership was with Build Change, a U.S. non-profit group that designs earthquake-resistant houses for developing countries and trains builders, homeowners, engineers, and government officials to construct them.

The new Kredi Kay housing finance package works like this: Once Sogesol pre-approves a loan request, Build Change engineers visit the construction site and make recommendations. The borrower receives the first installment of the loan and uses it to buy materials from a Gilbert Bigio-supplied hardware store and to start construction.

Then, Build Change engineers inspect the house to ensure that the borrower is following their advice. If all is going according to plan, then Sogesol disburses the final installment of the loan to allow the borrower to finish construction.

While the Kredi Kay loans are a bit more expensive than traditional microfinance loans in Haiti, the borrower has the advantage of a house that is far less likely to be washed away in the next storm or crumble in the next tremble.
Frequent earthquakes and hurricanes in Haiti, coupled with inadequate construction methods, require multi-faceted solutions involving not only housing finance, but also engineering advice and safer building materials.
Housing finance is a potent investment tool that works on two levels. A mortgage allows low and middle-income families to purchase houses, providing both a shelter and a tangible asset that often is their main vehicle for investment and savings. At the macro level, housing finance generates economic growth by increasing savings, investment, and employment, and creating a solid capital base.

In Honduras, where two-thirds of the population lives in extreme poverty and only 20 percent of the economically active population has access to traditional financial products such as mortgages, the need for better housing solutions is tremendous. IFC has worked in Honduras since 2008 to increase access to mortgage loans and to finance the construction of affordable housing, which is in short supply in the country.

For locally owned Banco Ficohsa IFC provided advice on how to expand and improve its services to the housing finance market.

Erasmo Norales, a 36-year-old boat worker, in 2010 used a Ficohsa mortgage to buy a house for him and his daughter in Choloma, a town in northwestern Honduras where the average house costs $30,000. Norales is called away to sea for up to eight months at a time.

“When I return home my family and house are safe,” Norales says. “This is a nice area without crime.”

In the last four years, Ficohsa’s housing finance portfolio has grown by 19 percent a year. It is now the housing finance leader in Honduras, with a market share of 17 percent and $275 million in outstanding housing finance loans.

Globally, the need for housing finance has increased since the 2008 financial crisis, which made investors wary of that type of asset. To spur banks to give mortgage loans to lower-income people in developing markets such as Honduras, IFC provides advice and a variety of financing, including long-term lines of credit.

As it did with Ficohsa, IFC also works directly with other financial institutions to build up their expertise in housing finance. The success of Ficohsa demonstrated that extending housing loans to the low-income people can be a commercially viable segment, making more lenders in Honduras tap into the housing finance market.
In Honduras, where two-thirds of the population lives in extreme poverty, IFC has trained locally owned Banco Ficohsa to better serve the housing finance market.
Percentage of people who have a loan from a formal financial institution to purchase a home:

**MIDDLE EAST & NORTH AFRICA**

4.5%

**WORLD**

7%

*Source: Global Findex Database, World Bank, 2012*
BETTER LIVING CONDITIONS FOR LESS THAN $100 A MONTH

Micro home loans with monthly payments of less than $100 have allowed hundreds of Afghans to buy or upgrade their houses in the last few years.

The lender, First MicroFinance Bank Afghanistan (FMBA), began offering the loans in 2008 with financial support and advice from IFC. Since then, it has disbursed over 22,900 small housing loans totaling $40.3 million.

A $2,000 loan was transforming for a couple and their three children in the Mazar-e-Sharif province. Bibi Sediqa Musawi, a tailor, and her husband, who works for the Afghan army, had lived for two years in a cramped house without windows or a kitchen. There was no door, just an open passageway.

Then Bibi Sediqa learned about the home improvement loans. She used the $2,000 to buy steel doors and windows, and to plaster and paint the inside of the house.

“The home improvement loan program really supports the poor,” she says.

Other borrowers have used First MicroFinance Bank Afghanistan loans to buy or enlarge their houses, install wells or hand pumps that provide clean water, or install toilets to improve sanitation.

In developing countries worldwide, low- and moderate-income families greatly prefer to improve their existing homes rather than purchase new homes elsewhere, where the social capital from their relationships with friends, family, and neighbors is largely out of reach. IFC is focusing on microloans for housing upgrades as key ingredients for improving housing conditions and tools for financial market development.

The First MicroFinance Bank Afghanistan offers its housing loans in all its urban branches and its new rural improvement loans are offered to rural populations not served yet by the conventional banking system. In all, it offers housing finance in 27 branches in 13 provinces.

The bank also plans to start advising borrowers on building materials, construction techniques, and innovative methods to improve housing quality, taking into account factors such as energy efficiency, sanitation, proper ventilation, and Afghanistan’s frequent earthquakes.

The bank is owned by the Aga Khan Development Network, which promotes economic development in 30 low-income countries.

IFC provided investment and advice to help the Aga Khan Agency for Microfinance start the First MicroFinance Bank Afghanistan in 2004. The bank has become Afghanistan’s most successful commercial microlender, with more than 240,000 clients.
In developing countries worldwide, low- and moderate-income families often prefer to improve their existing homes, staying close to friends and family in their communities, rather than purchase new homes elsewhere.
Annual urban population growth:

**SOUTH ASIA**

2.7%

**NORTH AMERICA**

0.4%

*Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects report*
Small business owner Mohammad Asaduzzaman faced more than an uphill climb in his quest to own his own home. He faced a mountain.

Asaduzzaman, 40, earns $625 a month by selling refrigeration and air-conditioning equipment from a shop in the capital city, Dhaka. But his monthly rent of $250 didn’t leave enough cash for him to save to buy an apartment, and his income wasn’t high enough to qualify for a mortgage. Furthermore, because his business is informal, he didn’t have documentation to prove his monthly earnings—another precondition for a loan.

Extremely high population density in Dhaka has pushed up apartment prices to levels that are unaffordable without financing for millions of low- and middle-income people like Asaduzzaman. And when he started his quest to own a home, no housing financing was available for informal workers in Bangladesh.

To help meet that acute need, in June 2011 IFC began to give periodic performance-based grants to Bangladesh’s Delta Brac Housing Finance Corporation Ltd. to meet specific targets for disbursing affordable housing loans. Delta Brac Housing is the country’s pioneer housing finance provider and its largest private provider.

Asaduzzaman secured one of those new loans—for $37,500 over 15 years—and with it bought a two-bedroom apartment on Dhaka’s outskirts for him, his wife, and their two sons.

“It has helped me to realize the dream of my family,” Asaduzzaman says.

IFC’s loan program with Delta Brac Housing defines affordable as loans provided to borrowers with a monthly income range of $250 to $625. The program aims to help informal sector borrowers who can provide limited or no documentation of their income.

So far, Delta Brac Housing’s affordable housing program has disbursed 1,218 loans totaling $15.3 million. That includes 42 loans totaling $620,000 to informal workers like Asaduzzaman. Of the new loans, 65 percent have been used to buy apartments, 25 percent to build houses, and 10 percent to renovate or expand houses.

Delta Brac Housing is meeting a critical need. In South Asia, which is home to one out of every four people on the planet, 14 percent of the population has either no home or lives in urban slums and squatter settlements.
In South Asia, which is home to one out of every four people on the planet, 14 percent of the population has either no home or lives in urban slums and squatter settlements.
Rahees Mohammad and his wife lived in a rented house in a slum and had one wish—to build a house that would be a permanent home for their three children. For 10 years, Mohammad and his wife saved small amounts from their modest income of $360 a month as a gardener for the Indian Army and a self-employed homemaker who in her free time, makes traditional gold and silver embroidery for sale. Eventually they realized that in order to buy a home for their family, they would need financing. After trying many times to obtain loans from commercial banks, without success, Mohammad heard about a housing finance company for low-income households, Aadhar Housing Finance Private Ltd.

Mohammad obtained a $10,000 loan from Aadhar and spent $17,000 to refurbish an abandoned house near where he lived, in the city of Meerut in the low-income state of Uttar Pradesh. In just one year, his property has appreciated in value to $24,000.

“My dream was to buy this dilapidated property and rebuild it the way I wanted to,” Mohammad says.

India has one of the world’s worst shortfalls of affordable housing, with a gap valued at $67 billion by U.S. consulting firm McKinsey & Company.

By increasing access to affordable housing finance, Aadhar is tackling that shortage. Aadhar caters to those earning $1,200 to $4,800 annually and with no proof of income, such as self-employed small business owners, daily wage laborers, and support staff who work for local governments. It offers both mortgage loans and also smaller loans for construction and improvement of houses.

Just two years into operation, Aadhar is serving more than 4000 customers through 23 branches in seven low-income states including Uttar Pradesh. It has been profitable for more than a year, demonstrating that the low-income demographic can be a lucrative segment for mortgages.

IFC made an equity investment of $4.5 million in Aadhar in 2010 and also has been advising it on responsible lending and risk management.

Aadhar is a joint venture between IFC and India’s Dewan Housing Finance Corp. Dewan was founded in 1984 as India’s first privately-owned housing finance company. IFC invested about $12.6 million in Dewan in 2003 to support the company’s efforts to provide housing finance to middle-income and upper-middle-income households that couldn’t get it otherwise. IFC also advised the company on improving corporate governance, reporting standards, and compliance.
IFC provided investment and advisory support to India’s Aadhar Housing Finance Private Ltd. Aadhar caters to those earning $1,200 to $4,800 annually and with no proof of income, such as self-employed small business owners, and daily wage laborers.
Mortgage depth and mortgage penetration:

MORTGAGE DEPTH (2006–2010) 6%

MORTGAGE PENETRATION (2011) 2%

Source: Global Findex Database, World Bank, 2012
Laying the groundwork for an increase in mortgage lending in Ghana was like putting together the pieces of an intricate puzzle.

IFC spent three years advising lenders and surveyors and working for the passage of a law that both created a level field for lenders to make mortgage loans, and sweetened Ghana’s mortgage sector for investors. At the beginning of the project, there was only one lender active in mortgages, HFC Bank.

By June 2009, the country’s mortgage portfolio had almost tripled. The combined portfolios of the four lenders with active programs—Ecobank, and locally based HFC Bank, Fidelity Bank, and Ghana Home Loans—held 2,091 loans worth $83.9 million.

That has been a boon for Judith Seutaah, 41, an assistant station officer for the Ghana Fire Service in Accra, the capital city. She and her husband used a $21,400 loan from Ghana Home Loans to buy a two-bedroom house with ceramic tile floors for themselves and their two children.

“My life is better now that I own my own place,” Seutaah says. “We have our peace of mind and don’t have to deal with any landlord.”

To encourage mortgage lending in Ghana and other emerging markets, IFC has invested in financial intermediaries. IFC invested $900,000 of equity in Ghana Home Loans in 2009, exiting the investment in January 2013. In addition, IFC has disbursed $10 million loan to Ghana Home Loans.

Creating a sound and widely accessible system of housing finance requires not only money, but also many other puzzle pieces. In Ghana, IFC worked with several lenders so that their operations would be in line with international standards. IFC’s efforts included:

• Standardizing four key mortgage lending documents—the mortgage agreement, the application, the valuation report and the facility letter/pre-lending disclosure form
• Revising the lenders’ internal manuals on mortgage procedures
• Developing a guide on mortgage lending for potential borrowers
• Training 22 employees of lenders in mortgage project management, and 10 mortgage-lending trainers for Ghana’s banking sector.

The last piece of the puzzle was the legal reform. Following the request of the Ghanian government, IFC helped draft the Home Mortgage Finance Act and facilitated its adoption. The law, which passed in 2008, sped up the process of lenders gaining control of collateral on a defaulted loan by allowing them to avoid judicial proceedings—a privilege previously enjoyed only by HFC Bank. The possibility of extra-judicial foreclosure was a prerequisite to attract much needed investment in Ghana’s mortgage sector.
IFC worked with financial institutions, surveyors, investors, and policy makers to mainstream mortgage lending in Ghana. In just three years, the country’s mortgage portfolio had almost tripled.
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