India Low-Income Housing Finance (P119039)

Key Dates

Key Project Dates

- Bank Approval Date: 14-May-2013
- Effectiveness Date: 20-Nov-2013
- Planned Mid Term Review Date: 30-Sep-2015
- Actual Mid-Term Review Date: 09-Dec-2015
- Original Closing Date: 31-Dec-2018
- Revised Closing Date: 31-Dec-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
To provide access to sustainable housing finance for low income households, to purchase, build or upgrade their dwellings.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

- Component 1: Capacity Building: (Cost $2.00 M)
- Component 2: Financial Support for Sustainable and Affordable Housing: (Cost $97.00 M)
- Component 3: Project Implementation: (Cost $1.00 M)

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Implementation Status and Key Decisions
The innovative Low Income Housing Finance Project is in its fourth year of implementation with disbursements well on track including to the challenging informal income – alternate collateral segment. It continues to target the Economically and Weaker Sections (EWS) to refinance long tenor loans for new or incremental housing, most often new housing. Its relevance is bolstered by India’s ambitious housing program, the future financing of which can be crucially informed by this Project – through the demonstrated sustainability of market finance based lending models, improving borrower affordability and innovation in lending processes. In addition to market innovation in underwriting practices through leveraging technology, NHB has on its part initiated steps to seed Aadhar in loan accounts under the Project. NHBs ongoing efforts at opening up the financing line to a wider set of Primary Lending Institutions (PLI) is promising with potential additions including housing finance companies specifically working to provide formal housing finance to women in the informal sector. This is greatly encouraging for inclusive market development and for meeting overall project objectives. Strengthening NHBs institutional capacity to foster development of a resilient housing finance sector through better monitoring of risks and minimizing information asymmetry between stakeholders will continue to be supported though Project activities. The Project is expected to disburse the refinancing line (component 2) within the Project close date of December 2018.

Risks

**Systematic Operations Risk-rating Tool**

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Results

**Project Development Objective Indicators**

- Number of Primary Lending Institutions active in the target low-income segment (Number, Custom)
<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>25.00</td>
<td>52.00</td>
<td>52.00</td>
<td>35.00</td>
</tr>
</tbody>
</table>

### Lending Volume Growth (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>82.00</td>
<td>114.00</td>
<td>150.00</td>
</tr>
</tbody>
</table>

### Number of Borrowers growth (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>71.00</td>
<td>74.00</td>
<td>150.00</td>
</tr>
</tbody>
</table>

### NPLs (percentage of replacements of non-performing with performing sub-loans by primary lenders required for pools of loans which have been refinanced by NHB) (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
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<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>--</td>
<td>--</td>
<td>150.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Apr-2013</td>
<td>31-Mar-2017</td>
<td>20-Nov-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

Comments

NHB not reporting this figure.

Overall Comments
Intermediate Results Indicators

- NHB issues Lending Guidelines for Housing Loans with Alternative Security Arrangements (Number, Custom)
  
<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Apr-2013</td>
<td>31-Mar-2017</td>
<td>20-Nov-2017</td>
</tr>
</tbody>
</table>

- Number of Pilots Launched (Number, Custom)
  
<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>4.00</td>
<td>4.00</td>
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</tbody>
</table>

- Technical Assistance is implemented according to agreed business plan (Number, Custom)
  
<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
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<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Apr-2013</td>
<td>31-Mar-2017</td>
<td>20-Nov-2017</td>
</tr>
</tbody>
</table>

Overall Comments

Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P119039</td>
<td>IDA-52830</td>
<td>Effective</td>
<td>USD</td>
<td>100.00</td>
<td>100.00</td>
<td>0.00</td>
<td>87.27</td>
<td>5.77</td>
<td>87%</td>
</tr>
</tbody>
</table>
Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements

Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.