



**IFC**

**International  
Finance Corporation**  
World Bank Group

# Housing Finance:

## Impact assessment in rapidly growing markets

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# Goal of IFC's housing finance program

**Expand the availability and affordability of home ownership**

**Institutional Development**

**Products**

**Risk management**

**Capacity for sustainable lending**

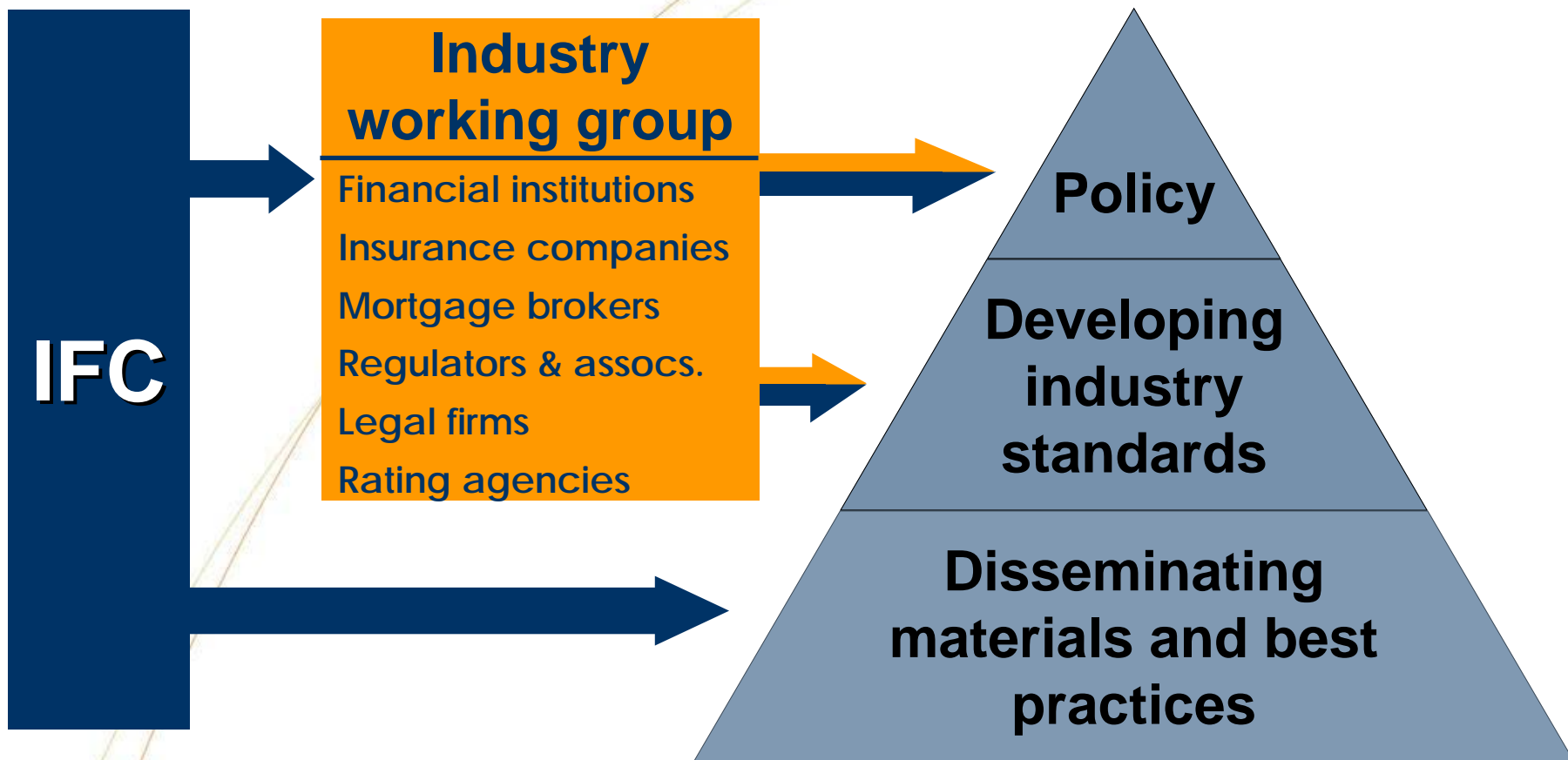
**Market Infrastructure**

**Legal and regulatory framework**

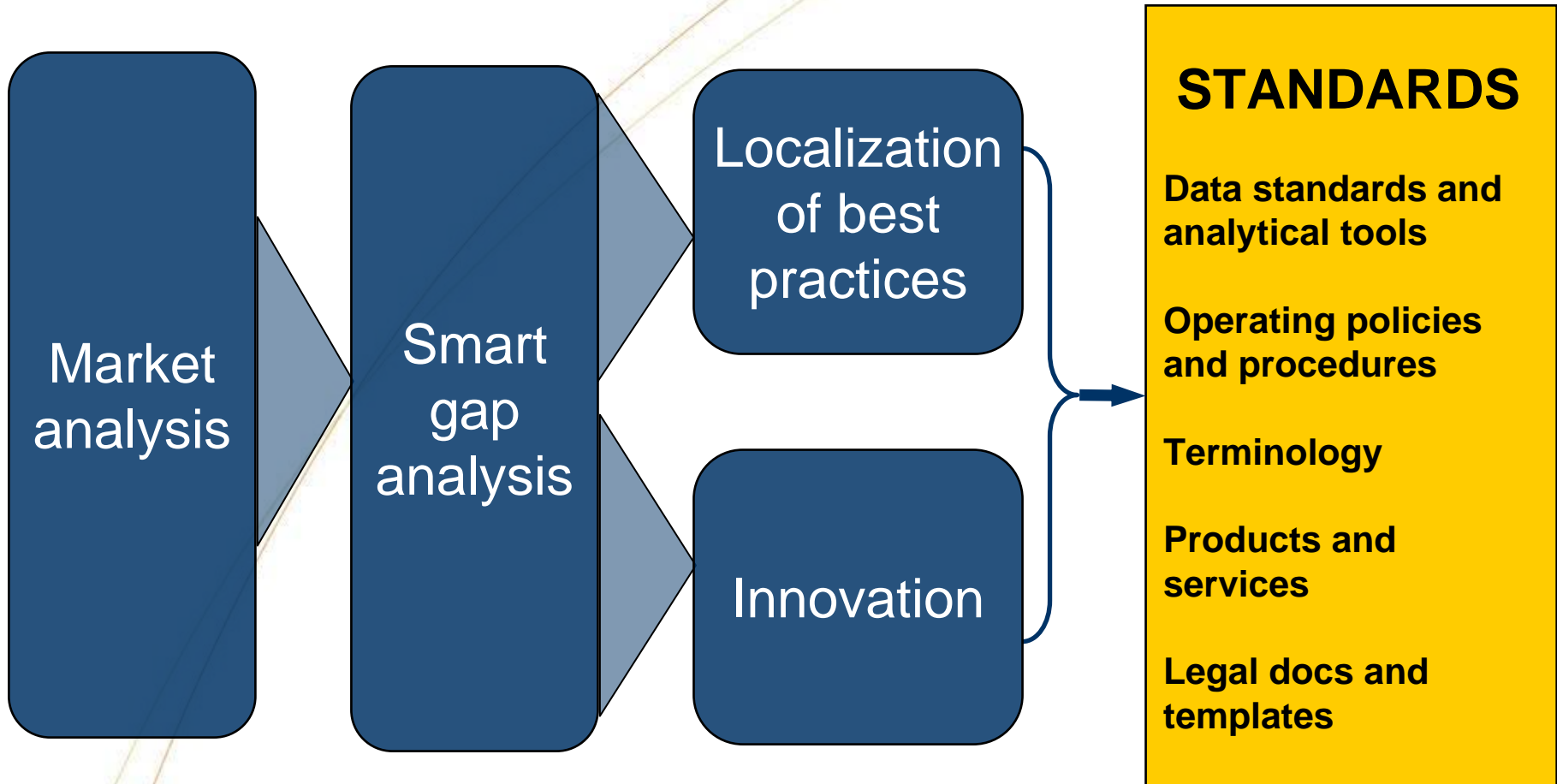
**Housing ownership infrastructure**

**Azerbaijan, Kazakhstan, Kyrgyz Republic, Russia, Tajikistan, Ukraine, Uzbekistan**

# Market development approach

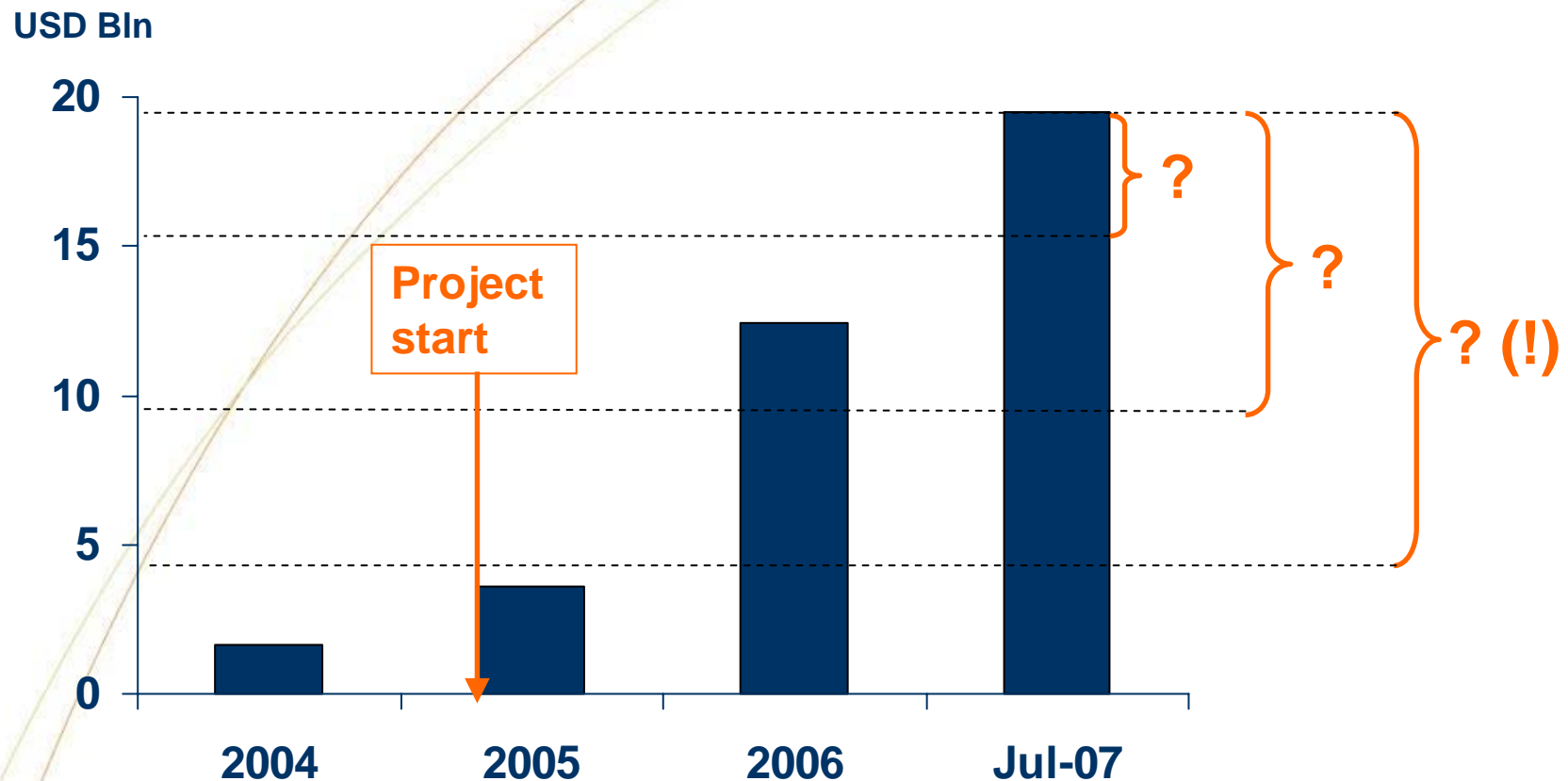


# Step by step development of standards



# What portion of growth is project impact?

## Russia: outstanding market mortgage portfolio



# Evaluation dilemma

## Means available

## Applicability

Before and after



Doesn't tell us anything

Experimental/quasi experimental



Involvement of all market players makes this impossible

“Synthetic countries”



Highly complex

Expert opinion/judgment



We've tried this ex-ante

# When all else fails – ask! (I)

## Institutional Development

Develop standard procedures for:

- **Origination**
- Underwriting
- Servicing

## Market Infrastructure

**Contribute to drafting law on securitization**

Remove contradictions on mortgage lending activities from civil code, law on immovable property and law on mortgage

Improve capacity of the Azerbaijan Mortgage Fund

# When all else fails – ask! (II)

## Origination

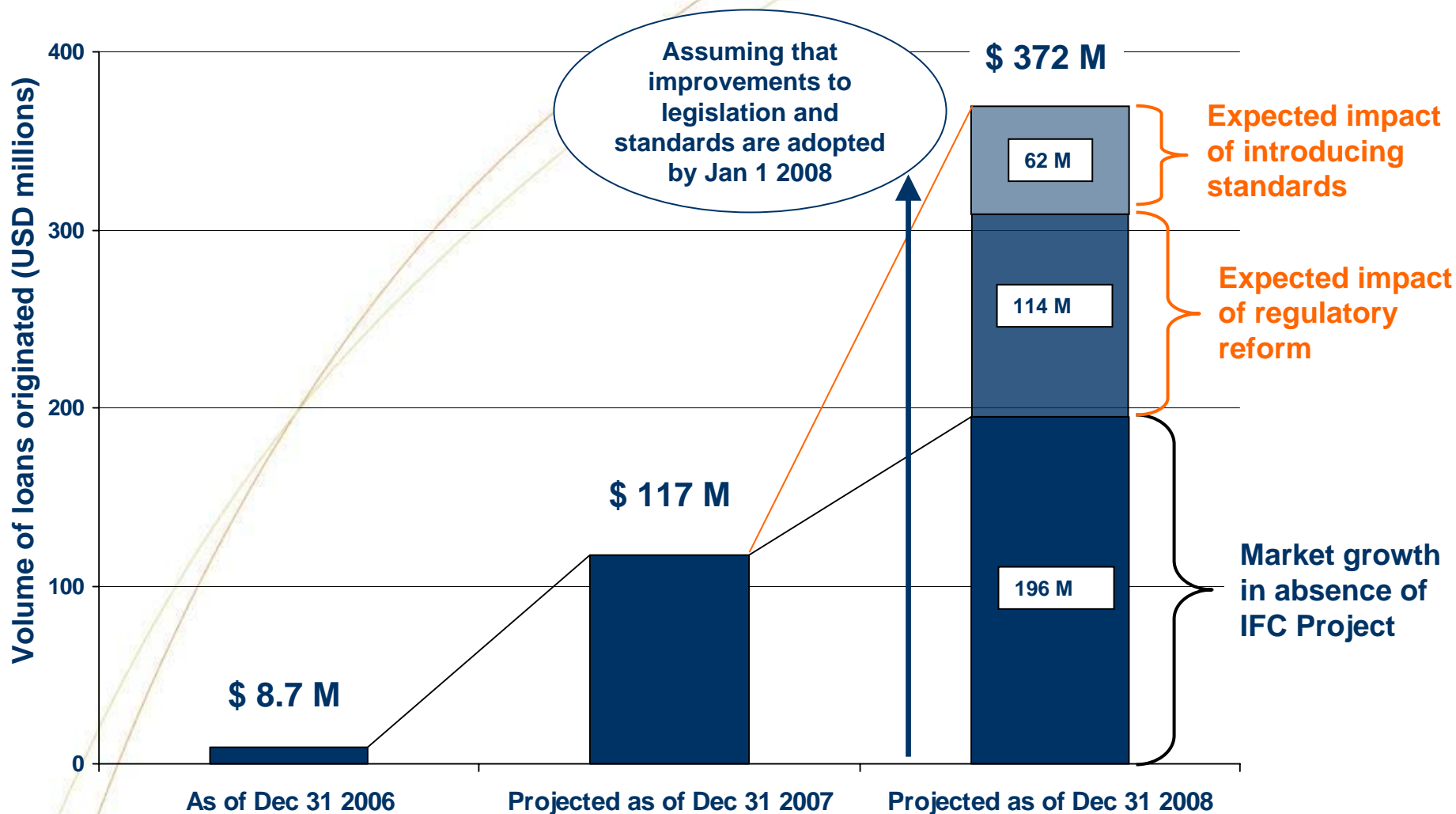
“Imagine that your bank is able to use information on existing bank clients to sell new mortgage loans to clients who have proven reliable

How would this impact your mortgage lending activities?”

## Securitization

“If a new law on mortgage securitization is adopted by the government, how do you think having the ability to securitize your mortgage portfolio would impact your mortgage lending activities?”

# \$176 M ex-ante impact for Azerbaijan



# Using impact information

- **Prioritization of project workplan for maximum impact**
- **Ex-ante bang for the buck: \$350**
- **Data can be used to promote necessary regulatory changes**