



IFC

Financial Institutions Group (FIG)

Housing Finance

As of October 2025

Industry Context

Affordable housing remains a pressing global issue, especially in emerging markets and developing countries where more than 1.26 billion people lack adequate housing. Approximately 210 million additional housing units will have to be built by 2030 to accommodate growing populations and urbanization patterns. This represents a \$16 trillion financing gap.

By leveraging the expertise of the World Bank Group, IFC aims to enable and deepen the market across the housing value chain. For more than 30 years, IFC has supported the expansion of residential mortgage lending and affordable housing in emerging markets.

To catalyze the development of sound and widely accessible housing finance markets, IFC:

- Invests in financial institutions and mobilizes capital across the globe, serving as a reliable source of long-term funding
- Works with funds to support construction of green residential buildings
- Provides upstream and advisory to strengthen financial institutions' capacity in housing finance
- Works with regulatory agencies to improve the enabling environment

IFC's approach to Housing Finance is to engage at market level through various initiatives including:

- Supporting financial institutions and Mortgage Refinancing Companies (MRCs) as vehicles for capital markets refinancing while working with policy makers to fast-track reforms, the banking sector, and housing developers
- Investment in Covered Bonds and Mortgage-backed Securities which unlock local currency capital
- Loans to mortgage real estate investment trusts traded on the Stock Exchange, which provide liquidity for mortgage originators
- Developing innovative Housing Finance products tailored for women, low-income, unbanked, and underserved clients

Examples of IFC's Strategic Interventions

GREENING AFFORDABLE HOUSING IN INDIA

India's Ministry of Housing and Urban Affairs' demand-based assessment has pegged India's affordable housing shortfall at approximately 10 million houses (as of 2022). India's urbanization rate, currently at 34%, is expected to surpass 50% by 2050 (UN-Habitat, 2017), creating demand for 25 million additional affordable units and driving investment opportunities of \$620 billion by 2030.

In the past 8 years, IFC has invested more than \$1.9 billion, and has a current portfolio of \$1.2 billion with 10 clients, of which 35% is green housing. Expected outcomes include increasingly affordable homeownership for low-income populations, increasing green affordable units, and reducing GHG emissions.

RISK SHARING FACILITY IN CHILE

While Chile's mortgage market is relatively advanced compared to LAC counterparts, it remains relatively small when compared to advanced economies. The country faces a significant housing deficit, with subpar living conditions. Gender disaggregated data reveals a housing finance gender gap, despite women's better repayment histories. To address these disparities, IFC provided an unfunded risk sharing guarantee for up to \$400 million to Santander Chile enabling the bank to originate housing loans for women.

Project Examples



HOME FIRST FINANCE (INDIA)

IFC committed a US\$ 40 million Equity to Home First Finance Company India Limited. The proposed IFC investment is part of a larger planned primary capital raise of US\$115-144 million by the Company via the Qualified Institutions Placement (QIP) route. IFC's participation of US\$40 million OA will stack up to 28%-35% of the planned capital raise, with the remaining amount being mobilized from other investors. This primary equity will strengthen the Company's capital base, support leverage, and allow it to continue its growth trajectory, capitalizing on the strong demand in the affordable housing finance segment in India. Home First is amongst the leading affordable housing finance companies (AHFC) in India focused on first time home buyers in lower income segments. It has demonstrated strong operational and financial performance over the years and has a strong market reputation of being a very well-managed company.



BANCO BICE (CHILE)

IFC committed a US\$50 million senior unsecured loan to Banco Bice, an existing IFC client, including a mobilization amount of US\$ 150 million. Proceeds from the loan will be fully dedicated to residential mortgage loans, with a focus on gender (70% of the use of proceeds) in Chile. The Project will help narrow the gender gap in access to housing finance in Chile. The country faces a significant housing deficit, estimated at 739,603 houses, representing homes for 2.2 million people (12% of the population). Only 41% of the system's mortgage loans are destined to women. IFC expects this project to contribute to the inclusiveness of the Chilean financial sector by demonstrating to other players the importance of a gender strategy and tailored products, as well as financial viability of mortgage lending to women.



FIG Housing Committed Portfolio \$5 billion across 57 active projects

