

## Global Presence



### Contact Information

Housing Finance Group  
Global Financial Markets Department  
International Finance Corporation  
2121 Pennsylvania Ave, NW  
Washington, DC 20433  
T: 202.473.4516  
[www.ifc.org/housing](http://www.ifc.org/housing)



# Housing Finance

Promoting Access to Affordable Housing  
in Emerging Markets



# Promoting Access to Affordable Housing in Emerging Markets

## Why Housing Finance

Housing finance is one of the fastest growing areas of investment for the International Finance Corporation (IFC), and a priority sector. Housing finance generates economic growth via job creation, entrepreneurship, and economic linkages. At the individual level, it makes possible both a shelter and a real asset, which might be the largest investment a family makes in a lifetime. Housing finance activities also spur expansion in financial and capital markets. For these reasons, IFC works with clients to increase access to housing finance in emerging markets, and thus to affordable housing.

## What IFC Does

IFC aims to increase the availability of long-term funds for mortgage lending in emerging markets, and to introduce international best practices to mortgage origination, servicing, and portfolio management. In line with its development goals, IFC emphasizes access to affordable housing in emerging markets.

IFC provides debt and equity financing to banks, primary mortgage market originators, and secondary market companies. IFC also invests in capital market instruments, or provides credit enhancement for mortgage-backed securitizations (MBS) and similar funding vehicles. IFC can offer the following investment solutions for housing finance:

- Loans for mortgage lending
- Collateralized Mortgage Lines of Credit
- Warehouse Lines of Credit
- Credit enhancement for MBS
- Structured finance
- Equity investments
- Construction finance

## Technical Assistance

IFC also offers housing finance technical assistance that is linked to its investments. Priority areas include housing finance market infrastructure, legal and regulatory framework, institutional capacity building, and staff training. These programs are funded jointly by IFC and donor governments. IFC works with the World Bank and other partners to provide housing finance advisory services to governments.

## Primary Mortgage Market Activities

- Financing for primary mortgage market players (banks that extend housing loans, specialized housing finance originators) through equity participation, loans, and warehouse lines
- Development of standardized and prudent credit underwriting, mortgage origination and servicing standards, and advice on the use of technology to implement such standards
- Advice on legislation and regulation regarding origination, standardization, or servicing of mortgages, in collaboration with the World Bank
- Development of mortgage insurance or other peripheral services such as credit reporting, property appraisal, and evaluation

## Secondary Mortgage Market Activities

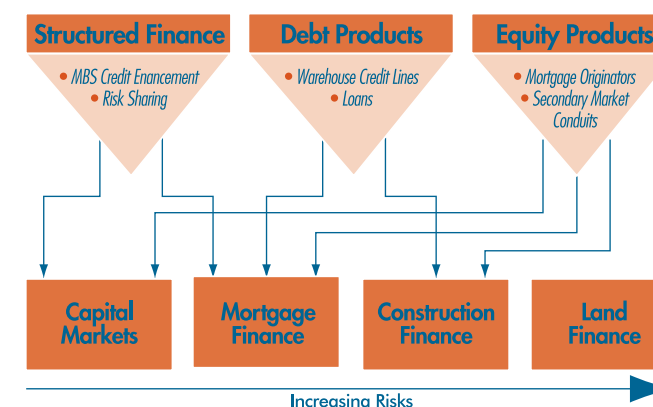
- Financing for secondary mortgage market entities and conduit lenders through equity investments and warehouse lines
- Creation of multi-seller conduit vehicles for issuing MBS or other bonds
- Credit enhancement of MBS or other bonds, primarily through partial credit guarantees, mezzanine risk investments, and liquidity facilities
- Advice on legislation and regulation regarding MBS issuance and investment

## Continued Innovation

IFC is developing an array of investment products for new frontier markets including:

- Affordable housing finance products for lower income individuals
- Construction finance for residential housing developers-cum-mortgage originators
- Housing finance products compliant with Islamic finance principles
- Financing tools for large-scale residential property development projects
- Mortgage finance for energy efficient and sustainable development

## Housing Finance Investment Products Intervention in the Value Chain



The International Finance Corporation, a member of the World Bank Group, promotes sustainable private sector investment in emerging markets as a way to reduce poverty and improve people's lives. IFC is the largest multilateral source of long-term debt and equity financing for private sector projects in the developing world. IFC also provides advice and technical

assistance to businesses and governments on private sector development issues. Headquartered in Washington, DC, but with staff posted around the world, IFC has global expertise and market knowledge, making it the partner of choice.

## Delivering Innovative Products in Emerging Markets

- First MBS in Korea, Colombia, South Africa, and Mexico
- First cross-border MBS in the Baltics
- First local currency revolving warehouse mortgage line in Mexico
- First secondary mortgage market entity in Trinidad and Tobago, Brazil, Colombia, and Argentina
- First secondary mortgage program in Latvia
- First securitization of non-performing loan in Latin America (winner of Latin Finance magazine's award for innovation)