

A Comparison of Housing Finance Programs for Low Income People in Peru

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Until recently, access to housing-related finance has remained extremely limited in the developing world for low income people. Commercial banks, unable to access secondary mortgage markets, typically extend mortgages or other types of housing loans only to middle or upper income clients. Some governments have initiated large-scale housing subsidy programs targeting the poor; however, these initiatives have often fallen far short of their objectives. In some countries housing finance offered by microfinance institutions, a private solution, shows promise of reaching more people sustainably.

This paper addresses the attempts of one country, Peru, and the various actors in the housing finance arena there, to improve access to housing finance at the bottom of the pyramid. It focuses on a comparison of three approaches to low income housing finance: the Mivivienda and Techo Proprio programs of the Government of Peru and the Micasa loan product of microfinance institution Mibanco. The information in this case study is based on interviews with key informants (primarily program managers of the programs described) conducted in Peru in 2006, as well as available primary and secondary data.

The Need for Low-Income Housing Finance in Peru

Housing needs, and therefore housing market potential, are high in Peru.

Population and Poverty. According to the International Finance Corporation (IFC) in Peru, 70 percent of the country's total population of 26 million is urban, 80 percent is considered low income-earning, and 60 percent operate in the informal economy. The poverty level in Peru is 48 percent, and extreme poverty stands at 20 percent.¹

Housing Demand. The gap between supply and demand for affordable housing was demonstrated dramatically in a quantitative survey conducted by a Peruvian market research firm – *Apoyo Opinión y Mercado* – which estimated an existing housing deficit of 1.3 million units for the estimated 60 percent of families living in slums. This study also determined that 90,000 new homes per year would need to be built to close this housing gap. Within the informal economy, there exists a very dynamic market of micro and small urban enterprises, a large part of which are home-based or home related

¹ Source: IFC, Lima and interview with Superintendencia de Banco y Seguros.

businesses. Housing, therefore, is a critical input for microenterprises, and for the families engaged in microenterprise.

Access to Financial Services. Access to formal financial services for the poor in Peru is limited. Banking penetration rates are low, with aggregate bank portfolios totaling \$12 billion versus \$78 billion GDP.² Historically, banks have not lent to low-income earning Peruvians. However, these biases are fading given the successful track record of microfinance institutions, such as Mibanco and the Cajas Municipales. Large commercial banks in Peru now provide financing to segments of the low income population that have historically been overlooked. Banks have in some instances become the leading suppliers of microloans: Banco de Credito del Peru (BCP), already has the largest microfinance portfolio volume of the whole financial system³.

Land Tenure. Evidence shows that lack of land tenure directly influences low-income enterprises, as many entrepreneurs operate their businesses from the home.⁴ Without legal land titles, individual entrepreneurs lack incentives to invest in their homes and usually cannot use their homes as collateral for bank loans. In addition, informal property rights cause daily insecurities for entrepreneurs who face the risk of eviction by government agencies or seizure by other residents who claim rights to the property. In urban Peru, 45% of entrepreneurs without access to legal land titles “reported a desire to move businesses away from their homes, suggesting that business ventures were not optimally located to maximize profitability and growth.”⁵

Four Approaches to Housing Finance

A number of approaches to low income housing finance have been tried in Peru, engaging a wide variety of actors. The approaches can loosely be classified in four categories: a) land tenure reform and related loan programs; b) efforts to extend mortgages to reach lower market segments; c) government subsidized programs administered through the banking sector and d) private microfinance initiatives. Most of this paper compares the latter two approaches. First, however, this section provides a brief comment on the other two approaches.

As land tenure rights became a central issue during dialogue about Peru’s development in the 1980s and 1990s, most notably championed by Hernando de Soto and the Institute for Liberty and Democracy (ILD), the Government of Peru designed and implemented several pilot programs to address urban land issues and to promote private sector participation in low income housing finance. In 1995, the Peruvian government

² Field, Erica and Maximo Torero. “Do Property Titles Increase Credit Access Among the Urban Poor? Evidence from a Nationwide Titling Program.” Mimeo, Harvard University, 2003.

³ It is important to note that BCP’s average loan size is almost three times that of Mibanco, reflecting the fact that they targets a higher end sub-segment of microfinance.

⁴ Field, Erica and Maximo Torero. “Do Property Titles Increase Credit Access Among the Urban Poor? Evidence from a Nationwide Titling Program.” Mimeo, Harvard University, 2003.

⁵ Field, Erica. “Entitled to Work: Informal Enterprise in Urban Peru.” *Development Outreach*, March 2005. www1.worldbank.org/devoutreach/mar05/article.asp?id=284

implemented the first large-scale urban land reform program in the developing world. Congress passed legislation that delegated property formalization to a new public agency, the Comisión de Formalización de la Propiedad Informal (COFOPRI). Between 1996 and 2001, COFOPRI distributed over 1.2 million property titles to urban residents, who were then nationally registered as property owners. The program affected approximately 6.3 million low-income Peruvians residing in inner-city neighborhoods.

This effort contributed to increased housing finance, but not in the immediate and direct way originally envisioned. A study of the results of the titling program found that loan applications in urban Peruvian communities increased by 20 percent as residents secured land titles. However, secured legal land titles did not immediately result in increased access to microfinance or loans from commercial financial institutions.⁶ They did enable title holders to, on average, access credit at lower interest rates than their counterparts without property titles.⁷

The government established at least one program to assist new title holders to improve their housing. Materials Bank is one of the largest lending institutions in Peru and has, since 1980, provided in-kind loans of physical materials for housing construction to urban residents. The program targeted the recipients of the government's land titling program with loans up to \$5,000 and loan periods up to 15 years. Interest rates are low, with effective annual rates 7 and 9 percent on all loans. Materials Bank dominated the market of household improvements in the late 1990s, providing 73.3 percent of all home improvement loans between 1997 and 1999. This program was plagued by a disappointing default rate of 74 percent, which undermined confidence in programs administered by government entities.

It is important to note the activity supported by government and multilateral institutions to extend the formal mortgage market. In March 2004, the International Finance Company entered into an agreement to provide Banco Internacional del Peru - Interbank with US\$40 million to support mortgage lending and mortgage-backed securitization development. Similarly, in late 2006, the Inter-American Development Bank (IDB) extended a US\$100 million loan to BBVA Banco Continental, S.A. in Peru to support its burgeoning mortgage program. These mortgage programs do not generally penetrate the low income market, as they target middle class families (specifically, socio-economic level "B").

A final approach to housing finance, developer-based programs, is not considered here, though it has also been used in Peru.

⁶ Ibid.

⁷ Field, Erica and Maximo Torero. "Do Property Titles Increase Credit Access Among the Urban Poor? Evidence from a Nationwide Titling Program." Mimeo, Harvard University, 2003.

Government-Subsidized Programs through Private Financial Institutions

In the late 1990s, the government created two programs to close the housing gap. These programs were based around the assumption that subsidies are necessary to reach lower and middle-income segments. Further, they assumed that whole house finance was needed to address the housing needs of these segments. However, they used private financial institutions rather than government agencies or public sector banks as delivery channels. Mivivienda and Techo Propio both provide mortgages for whole house finance.

- **Credito Mivivienda:** Mortgage loans for the purchase of homes ranging in value from US\$20,000 to \$50,000.
- **Techo Propio:** Mortgage loans for the purchase of homes ranging in value from US\$4,000 to \$8,000.

Though these products were made available through private financial institutions, they required government subsidies to make them affordable to low and moderate income clients, and viable for the providers, including liability funding. These programs have enabled the participation of several categories of providers, including the microfinance industry, commercial banks, and even the capital markets.

Credito Mivivienda

Credito Mivivienda was targeted to low middle class families - mostly urban, salaried workers. Techo propio was later created to address the fact that Mivivienda did not provide a solution to even lower income segments, requiring more direct subsidy to the end customers to make the mortgage loan affordable. Credito Mivivienda is a mortgage loan product of Fondo Mivivienda (FMV), a fund managed by the Ministry of Housing that provides subsidies for low-income mortgages from commercial financial institutions to end customers that meet certain criteria. The original terms of Mivivienda were as follows;

- Client eligibility requirements, such as being qualified for a loan by a lending institution. No member of the family unit may be a property owner.
- The loan can be applied for home purchase or self construction; in reality it has been used only for the former
- The house to be purchased must be a “first time sale” with a value up to \$50,000
- Down payment of 10 percent
- Repayment period up to 20 years.

- Interest rate of 11.5 percent; To motivate repayment, this rate can be further reduced to about 8 percent through a “good payer premium,” which is a performance-based discount of two to three percentage points available on loans with terms longer than 10 years
- Loans are denominated in U.S. dollars.
- In addition to the above terms for end customers, Fondo Mivivienda lends at a below-market interest rate (8 percent) to the lender, allowing a the difference as the spread for the lender, and resulting in subsidizing the interest rate to the client. It also protects the lending institution against default, guaranteeing up to one third of each loan’s outstanding balance.

Mivivienda was created in response to the failure of previous programs which involved direct government subsidies to families. In contrast to the high default rate of the Materials Bank, Mivienda achieved a 0.4 percent default rate.

As compared to more traditional mortgages, Mivivienda featured a smaller down payment and longer financing terms. As compared to microfinance loans, Mivienda featured a low interest rate of 11.5 percent or lower with the good repayment discount.

After May 2006, the Government changed the structure of the program to place it on a more commercial footing. Institutions with long-term funding capacity (the five major banks in the program) use their own funds for lending capital and are required to buy loan insurance from FMV. The Government subsidy was eliminated and the interest rate offered to the end customer was raised from 11.5 percent to 13 percent. FMV also provides assistance to quickly process the paper work for municipalities.

For institutions that need funding, such as *cajas municipales*, EDPYMEs, and *cajas rurales*, the government continued funding and subsidies, but the product now must be offered only in local currency at a fixed interest rate.

In order to begin developing a secondary market, institutions must give FMV the right to securitize the portfolio. FMV plans to issue security bonds in the capital markets and has requested assistance with bond issuance from Citibank.

Credito Mivivienda was the first and most successful government program linked to the private financial system. All the funds available were distributed as loans, with a default rate of 0.4 percent. The product was concentrated in large banks: the largest five banks in Peru have 80 percent of total Mivivienda portfolio. In comparison with microfinance programs, it has a lower level of interest (thanks to subsidies), but targets a higher market: the middle class and salaried workers, not the micro and small business people who are the traditional customers of MFIs.

Key success factors for Mivivienda were:

- Delivery through the private financial system as opposed to direct government intervention;
- Incentives provided to financial institutions by reducing the portfolio risk and providing liability funding;
- Positioning the product in the market through government advertising;
- Adequate supply of housing by construction companies who took advantage of the market opportunity created by the program;
- Low down payment. The down payment of 10 percent increased accessibility to a larger group of borrowers. The traditional down payment of 20 -30 percent was a barrier to customers.
- Repayment period. The 20 year repayment period allowed for affordable monthly repayment amounts.
- An interest rate of 10 - 11.5 percent, in contrast with the much higher microfinance interest rates usually paid by the same customers.

The importance of Credito Mivivienda lies not only with its success in providing access to 30,000 new homes, but also in paving the way for lenders to view home mortgages for lower income segments in Peru as a viable business. However, capitalizing the program required a \$600 million investment from the Government budget.

Challenges for Mivivienda in the future include its lack of liquidity, as Mivivienda has run out of funds. In total, the government has invested US\$600 million in Mivivienda and as of mid-2006, 90 percent is already in active portfolio and only 10 percent is still available to lend. No data is currently available on the amount that has been used as subsidies. Initially these funds came from the FONAVI funds (tax payers' contribution to housing development in Peru). The value of the fund has increased from S/.1500 million to S/.2650 million, (approximately US\$473 million to US\$836 million) but these funds are tied up in loan portfolio now and FNV did not develop a sustainable solution for increasing funding.

One solution being considered by the Government is to securitize loan portfolios to make them liquid in capital markets. Another idea is to restructure products to address currency risk, i.e. by offering them in local currency or through other mechanisms. Finally, the Government could eliminate the government subsidy component to strengthen the product's sustainability in the private financial system. The Fondo Mivivienda (FMV) did not oblige financial institutions to participate in a mechanism to allow FMV to securitize the portfolio in order for the government to cash it out and inject funds back into the system to fund more Mivivienda loans but is attempting to ensure that new loans under the program conform to standards that would enable securitization.

Techo Propio

The second of the two government sponsored loan products is Techo Propio. Given MiVivienda's limitations in reaching low income segments of the population, the Techo Propio product was created, providing direct government subsidies to make a long term mortgage loan viable for the end customers. Due to the characteristics of a mortgage loan (lower interest rate, long repayment periods), some experts believe that mortgage loans are not viable for loan amounts of the range established by Techo Propio (see below) because the amount of the loans have to be much larger (typically above US\$15,000) to cover the administrative costs associated with providing the mortgage. It is felt by some that mortgage loans for lower amounts are not profitable enough to cover operating costs. However, Techo Propio is a subsidized product.

For new home purchases, Techo Propio requires that the house be priced between US\$4000 and US\$8000. The customer must provide a down payment of at least 10 percent, the government provides a direct subsidy of US\$3600 for an \$8000 house, and the remaining amount is financed as a mortgage loan (typically US\$3600) through a private financial institution at a market-based interest rate. The spirit behind the program is to create a mortgage loan market at a 13 to 14 percent interest rate (versus the rate used for home microloans which are financed at 35 percent or more).

The results to date for Techo Propio have been disappointing. Techo Propio was successful in attracting and approving prospective customers, but a significant number of customers did not take on the loan in the end. Out of 10,000 customers that were approved, approximately 600 took the loan, while the balance chose not to due to lack of housing supply within the price range for the product. Additionally, it is projected that the default for Techo Propio will be 14 percent. This clearly illustrates two basic problems with the product: a lack of construction projects offering houses to fit Techo Propio's requirements, and the poor repayment behavior of customers, possibly due to the mechanism of providing a direct subsidy up-front, as opposed to using it as incentive to reward good repayment behavior.

In contrast with Mivivienda's US\$20,000 average loan amount, the amounts of the Techo Propio loans are too small to make economic sense for the different actors, such as the financial institutions and the construction companies. For the supply of houses to be viable within the price range expected by Techo Propio, the construction projects would have to meet two conditions: located in remote areas to ensure a low cost for land and part of large scale projects to reduce the cost per unit. The first condition is a significant barrier to demand as customers give priority to location.

Further challenges include:

- Image: perceived as government money, therefore, not necessary to repay.
- Lack of financial capacity of developers and construction companies.

- Low return for the MFI's (low interest rate and spread as MFIs borrow at 7.5 percent and lend at 13 percent; the resulting 5.5 percent spread is below their operating costs).
- Poor repayment performance by end borrowers.

Many changes are needed to make Techo Propio work, if it can be made to work at all. One change should be to condition the subsidy to a repayment behavior. Another is to increase the allowable spread for MFIs.

The Private Alternative: Mibanco's Micasa Product

The two government subsidized housing loan products offered in Peru broadened the availability of mortgage lending within the population and, more importantly, encouraged the entry of formal financial institutions into the micro housing market. These programs set the stage for housing microfinance, a purely private initiative. The most prominent of these private efforts is Micasa, a housing microfinance (non-mortgage) product developed by Mibanco.

Progressive Building and the Demand for Housing Microfinance. Even a cursory look at patterns of housing acquisition and improvement in low-income urban Peru reveals that most people employ a progressive building mode – gradual home improvements as opposed to outright home purchase or construction. There is clearly opportunity for developing housing finance solutions for not only for home purchase, but also for progressive building and home improvement – what has come to be known as housing microfinance. The microfinance industry can play an important role in this scenario.

Quantifying the market size for housing microfinance is not an easy task, however, as there are no in-depth studies that distinguish between new home demand and the demand for progressive building and home improvement. Mibanco's recent experience demonstrates significant market potential in housing microfinance. This approach fits the needs and wants of target clients, while providing viable, affordable financial solutions.

Taking into account three basic factors: 1) families' preference to remain in their current houses and progressively build on them, 2) the lack of familiarity with committing to long term loans for home purchase (such as mortgage loans), and 3) the repayment capacity of these families, it is clear that an important avenue for scaling up home finance in Peru is via loans for progressive building and home improvement. Microfinance institutions are well-positioned to meet these needs.

Background on Mibanco. Mibanco is a commercial bank specialized in microfinance. Its antecedents reach back to 1969, when ACCION International promoted the founding of Mibanco's predecessor, Acción Comunitaria del Perú (ACP) as an NGO which eventually specialized in microfinance. In 1998, ACP became the majority shareholder of a new venture called Mibanco (Banco de la Microempresa S.A.), Peru's first for-profit,

fully-regulated commercial bank dedicated to microenterprise. Mibanco's clients are market vendors, seamstresses, bakers, pot-makers and others who support their families by starting small, often home-based businesses. Many live in the "pueblos juvenes," the shantytowns on the outskirts of Lima. Sixty-eight percent of Mibanco's clients are women. Mibanco currently has 32 branches in metropolitan Lima, and other major cities. Though small in total asset volume, it is the fastest growing bank in Peru.

Mibanco has a microfinance portfolio of over US\$ 320 million (end of year 2006). Approximately 13 percent of its portfolio is in housing microfinance, and an additional 10 percent is in mortgage loans. A market leader in housing microfinance, Mibanco served 180,000 customers through housing loans and disbursed more than US\$90 million between 2000 and the end of 2005. Mibanco's housing microfinance portfolio has grown an average of 51 percent in the past 3 years, and the housing share of the institution's total portfolio grew from 8 percent in 2002 to 13 percent in 2005. As of June 2006, Mibanco had 15,000 housing microfinance borrowers with US\$27 million in loans outstanding and a monthly growth rate of 3 percent.

Micasa. Mibanco's primary housing product is called "Micasa." It has a repayment period of up to five years and a value of up to US\$10,000. The average loan size is US\$2,500 for a period of 18 months, with an interest rate a bit lower than a traditional microfinance loan. The Micasa loan program is very similar to Mibanco's microenterprise lending methodology with some important differences:

- *Lower Interest Rates:* Micasa loans carry a lower interest rate (up to one-fifth less) than Mibanco's microenterprise interest rates. Micasa interest rates range from 50 to 70 percent per annum, depending on the loan size, while working capital rates for similar amounts range from 60 to 85 percent per annum.
- *Slightly Longer Loan Terms:* Micasa borrowers can finance their improvement up to a maximum of 36 months. Microenterprise loans generally range from three to 24 months.
- *Slightly Larger Loan Amounts:* Although there are no limits on the size of Micasa loans, borrowers have tended to apply for amounts slightly larger than the average working capital loans.
- *Available to Microentrepreneurs and Salaried Employees:* Micasa loans are helping Mibanco expand into a new market segment, low-income salaried employees. Existing Mibanco clients, new microentrepreneurs and new low-income salaried employees can all obtain Micasa loans
- *More Input from Client:* As part of the underwriting evaluation process, loan applicants prepare a construction project description and budget.

- *Loan Security:* Micasa loans are not secured by mortgage, but by the same types of collateral as microenterprise loans, typically moveable family and microenterprise assets.

Whereas Mivivienda and Techo Propio are designed for new home purchase or construction, the Micasa product line does not include mortgages, new home purchases or new home construction. Mivivienda and Techo Propio are whole-house financial programs, whereby the Government provides low-cost funds to financial institutions that on-lend to customers for home purchase or construction. Micasa, on the other hand, is a financial product intended to support microentrepreneurs conduct home improvements. Micasa is a non-subsidized product while the government programs extend direct subsidies to the customers.

Micasa is marketed to a very specific target market of low-income microentrepreneurs, and as yet only a minority of customers are salaried.

According to Mibanco, the success of Micasa is due to the significant demand for home improvement loans and the attractiveness of a product tailored to customers' needs and credit capacity. Furthermore, home improvement loans (in contrast with longer term loans, such as home mortgage loans) fit better with the customers' business and life planning time frame.

Mibanco nevertheless faces internal organizational limitations inhibiting more rapid growth of the Micasa product. Housing microfinance is still not regarded by Mibanco management as a core product. Mibanco is expecting housing microfinance ultimately to comprise 25 percent of its total portfolio, and thereafter, barring a strategic rethink, to grow at the same rate as Mibanco's overall portfolio (currently projected at 25 percent per year). At this rate, Mibanco's HMF portfolio would reach \$350 million in five years. Mibanco is undertaking a more aggressive growth plan by implementing a specialized sales force in partnership with retailers (like hardware stores, cement sellers or other construction materials providers), whereby Mibanco can reach new customers leveraging on the retailers' point of sale. In return, Mibanco assumes responsibility for implementing pre-approved lines of credit and POS systems to charge on credit/debit cards and investing in mass media advertising (which is relatively affordable in Peru).

Banco de Credito. Moreover, Mibanco and Micasa are not alone. Another important development in Peru has been the strong recent involvement in the microfinance market of the country's largest commercial bank, *Banco de Crédito*. With \$267 million in uncollateralized microfinance and small business loans, BCP actually holds a larger share of that market than Mibanco.⁸ BCP's microfinance portfolio is growing at a fast pace, projected to be 30 percent a year for the next five years. Banco de Credito also has the largest portfolio in Mivivienda's government mortgage program for home purchase. BCP is in the process of introducing housing microfinance to its current product line and cites Mibanco's experience to suggest its potential future growth.⁹ BCP is expected to

⁸ As of June 2006 and based on information provided by Banco de Credito.

⁹ Ibid.

become a major provider of HMF services over the next few years, with a portfolio that could reach \$200 million by 2011.

Other leading banks are looking closely at expanding their services down market, and it is likely only a matter of time until they develop their own microfinance business units. Based on current developments and institutional projections housing microfinance loans could amount to \$700 million five years from now, representing between 450,000 and 500,000 households.

Conclusions

Developing and scaling up housing solutions for lower income segments at a national level will not be solved by either the central government or the financial institutions acting alone. It requires the active and dynamic, and orchestrated participation of several public and private actors, including special government bodies, e.g., Ministry of Housing, special housing funds, local governments (municipalities that set the rules for construction and urbanization), real estate developers and construction companies, utility companies (water, electricity), financial institutions, NGOs and other lenders, capital markets, regulating and supervisory bodies land titling bodies, and, finally, the end customers.

Intervention through direct subsidy to the end customers has not worked in Peru, as the 75 percent default rate of Materials Bank attests. However, the Peruvian government has created specific mortgage loan products and mechanisms to deliver loans via the private financial system, which have proven to be more successful than direct subsidies. *Credito Mivivienda* and *Techo Propio* are issued through financial institutions, but promoted and marketed by the government. The low interest rates on the lending capital and the insurance provided by the government help to remove the risk for the financial institutions and encourage their interest in offering the loans. These products have demonstrated mixed results, with *Mivivienda* achieving far greater success than *Techo Propio*. However, neither product has successfully reached low income markets, as the loan amounts and requirements for *Mivivienda* put the product out of reach for most micro borrowers and are more tailored for lower middle class salaried workers. On the other hand, the product has been highly successful with the salaried workers and 30,000 loans have been issued between June 1999 and May 2006. One of the drawbacks of *Mivivienda* is its reliance on government funding; now that the original funding has been used up, there are no new sources of capital.

Techo Propio, on the other hand, was not successful: only 600 loans were issued since September 2002. The design, which provided a subsidy up front rather than as a reward for conscientious repayment behavior, may have encouraged defaults. There were not enough homes available within the required price range in the areas in which borrowers wanted to live, discouraging use of the funds.

Micasa, by contrast, an unsubsidized loan product developed by a microfinance bank, has been successful at reaching more low income families. Mibanco has experienced some of the following benefits from Micasa:

- Added stability to the overall portfolio, given the seasonal fluctuations in business lending.
- Diversification of risk for a portfolio dedicated primarily to working capital loans.
- Increased revenue from existing (business loan) clients without incurring significant, additional operating costs.
- High portfolio quality, which in turn implies lower costs in pursuing delinquent loans.
- Lower administrative costs per amount lent, due to longer HMF loan terms.
- Increased loyalty and relationships between the customer and MFI. Customers and their families hold strong emotional attachments to their homes.”¹⁰

The housing microfinance product represents a triple-win. Government is not saddled with hefty funding requirements. The lender makes a profit and attracts customers. Customers acquire housing they could not otherwise finance, in a manner (progressively) that fits with local traditions. Granted, a whole house option may be preferred: finding a way to offer that to low income clients is the next challenge.

HMF should be recognized by regulators and given the freedom to develop. HMF based on progressive building fills a critical need for the non-indigent poor and is commercially viable. HMF is particularly effective under regulatory frameworks that allow free decisions about credit methodology and loan product features and terms, particularly product pricing.

There are many positive conditions found in Peru for developing housing finance, such as: a government promoting mortgage products for the poor; a maturing microfinance industry now turning its eyes to housing; the mainstream banking sector going down market; and a large, productive and increasingly strong informal economy with a preference for progressive homebuilding. These favorable conditions and factors also clearly highlight the possible constraints and tasks others countries will face if they are to develop vibrant HMF markets.

¹⁰ *Getting to Scale in Housing Microfinance*, ACCION InSight #21, April 2007 (forthcoming), pp. 8-9.