ISMMA

International Secondary Mortgage Market Association

ANNUAL REPORT

2020–2021

Roundtable at first ISMMA meeting in
Kuala Lumpur, Malaysia in April 2019

CONTENTS

ISMMA MEMBERS

OBSERVER MEMBERS

FOREWORD BY ISMMA CHAIRMAN CHUNG CHEE LEONG

CHUNG CHEE LEONG
CHAIRMAN, ISMMA

PRESIDENT/CHIEF EXECUTIVE OFFICER, CAGAMAS BERHAD

DEAR MEMBERS OF ISMMA

The ISMMA Annual Report 2020 - 2021 is set against a backdrop of great challenges and considerable uncertainty arising mainly from the impact of the COVID-19 pandemic globally. The combined resilience among the ISMMA members has enabled us all to navigate this uncharted landscape with resolute determination.

Since the establishment of ISMMA in end May 2018 in a meeting hosted by the World Bank in Washington D.C., ISMMA has today grown leaps and bound both in terms of membership as well as activities and output. This Annual Report is yet another effort by the Secretariat to compile the activities and areas of discussion during the reporting period. ISMMA now boasts a resourceful website which not only contains meeting minutes and presentations but also members' profiles, articles, case studies, etc.

After three physical meetings, i.e. Washington D.C. in May 2018, Kuala Lumpur in April 2019 and Cape Town in November 2019, ISMMA had to respond swiftly to the pandemic by embarking on virtual meetings to share information and experiences on many topics of interest including green housing, green bonds and sustainability as well as foreign currency debt issuances by MRCs. Three virtual meetings were held in 2020 and two so far in 2021. The virtual platform has proven to be a great experience and I envisage that it will continue to be so in between regular annual physical meetings once the pandemic is behind us.

The progress of ISMMA would not have been possible if not for the strong support of The World Bank and all member institutions. I wish to record my sincere appreciation to Simon Walley, Pamela Hedstrom and Shahrul Farelli Zulkifli (representing the Chairman's Office) for the effort and commitment in ensuring the success of ISMMA. Last but not least, I wish to thank all the members for your support and active participation.

BACKGROUND ON ISMMA

In May, 2018 in Washington DC, executives from 16 secondary mortgage market institutions from around the world formed a global association—International Secondary Mortgage Market Association (ISMMA)—to exchange ideas and share knowledge to promote housing finance markets.

ISMMA focuses on advocacy on regulatory issues, information sharing, and providing support to newly-established institutions in this field. This is the first global association to bring together secondary mortgage markets institutions.

The association provides a platform for its now 30 member countries to exchange ideas on how to improve access to housing finance for their citizens and ultimately reach the goal of adequate, safe and affordable housing for all, which is one of the Sustainable Development Goals.

Membership to ISMMA is open to all secondary mortgage market associations around the world. The ISMMA secretariat is currently housed at the World Bank.

ISMMA Kickoff meeting in Washington, DC , May 2018

WORLD BANK SUPPORT FOR ISMMA

The International Secondary Mortgage Market Association (ISMMA) was launched at the sidelines of the World Bank Group's 8th Global Housing Finance Conference held in May 2018.

The idea for the association stemmed from a roundtable discussion facilitated by the World Bank Housing Finance Group in 2014, when representatives from mortgage liquidity facilities shared their experiences in supporting development and stability of their respective housing finance markets.

The World Bank has provided technical and administrative support to ISMMA since its inception. The Housing Finance team will support the association as its secretariat in its initial phase, as practitioners consider options for its longer-term future.

The Housing Finance team led the build out of ISMMA's website and knowledge management platform—https://collaboration.worldbank.org/content/sites/collaboration-for-development/en/groups/mortgage.html—which is hosted on the World Bank's external-facing social collaboration platform—Collaboration for Development (C4D).

In April 2019, the World Bank team and Cagamas, which currently chairs the association, hosted the first "face-to-face" member meeting at the Regional Affordable Housing Finance Conference in Kuala Lumpur, Malaysia.

The World Bank housing finance team continues to provide a broad range of services to ISMMA including:

- Maintenance of the ISMMA member register as well as info on key contact details,
- Preparation and organization of face-to-face and virtual ISMMA meetings,
- Provision of content and data on members and relevant topics for the ISMMA website,
- Active promotion and enhancement of the coordination and communication, including the facilitation of strategic dialogues or collaborations between ISMMA members,
- Sharing and dissemination of information / ideas / views / experiences on best practices and capital market innovations amongst ISMMA members, and
- Support to the programming cycle for future ISMMA meetings/activities.

Several World Bank projects have also provided loans and technical support to many nascent mortgage refinance companies across the global including in Jordan, Egypt, Tanzania, Nigeria, WAEMU, Pakistan, Saudi Arabia and Kenya.

CHARTER OF THE INTERNATIONAL SECONDARY MORTGAGE MARKET ASSOCIATION

1. NAME OF THE GROUP

International Secondary Mortgage Market Association (ISMMA)

2. OBJECTIVES

A. Exchange of ideas, views and experiences with a view of promoting housing finance markets

B. Advocacy on regulatory issues

C. Capacity Building and mentoring support for newly established institutions

3. MEMBERSHIP

Full membership will be open to all secondary mortgage market institutions that are involved in the securitization and/or refinancing of mortgages.

Observer membership will be open to selected institutions involved in activities related to the secondary mortgage markets including investment, capital markets, research, insurance, property development, etc.

4. SECRETARIAT

The ISMMA secretariat will be housed in the World Bank

5. STRUCTURE

The roles below will be on a 2-year rotational basis and will be nominated by members (based on a majority vote):

A. Chair of the association

B. Regional Focal Points

C. Community Manager/Facilitator (preference is for this role to be staffed by chairing institution)

6. KEY ROLES AND RESPONSIBILITIES

CHAIR:

- Facilitates the articulation of a mission/vision for the association and provides high-level guidance to the regional focal points, manager and other members;
- Supports the continued development and engagement of the association to successfully deliver value to the membership;
- Provides advice and input into potential enhancements and recommends improvements over time; and
- Removes barriers and obstacles to productive contributions by the association.

REGIONAL FOCAL POINTS:

- Acts as a regional contact for other members in the same geographical area, and is a visible, active member of the association's decision-making, activities, discussions and meetings, and projects;
- Raises issues and concerns regarding common regional needs and requirements;
- Follows up with other members in the region regarding any general information requests;
- Alerts members to any changes in conditions and requirements of the association; and
- Identifies ways to enhance the association's effectiveness (i.e. recruits other relevant members in the region; communicates any possible changes to interaction processes, etc.).

MANAGER/FACILITATOR:

- Manages the technology platform where the interaction takes place and approves/moderates content;
- Manages membership and consults, connects, and engages members on an ongoing basis;
- Fosters and facilitates member interaction and activities, focusing on communications between and among members of the association;
- Creates and moderates virtual discussions; keeps discussions on topic; ensures that dissenting points of view are heard and understood; reconciles opposing points of view; and
- Tracks key performance indicators (to be agreed) and monitors and reports on activity in the association (e.g. newsletter on members' activities)

7. FUNDING

A. There will be no member fees.
B. Time resources will be required from designated focal points and the chair of the association.
C. The World Bank will be responsible for initially incubating the association and will provide the funds for a "manager/facilitator" in the start-up phase.

8. COMMUNICATION CHANNEL/ENGAGEMENT TOOL

A. The association will leverage on existing World Bank's IT infrastructure using the external-facing social collaboration platform.
B. The members will define the rules governing the use of the platform.

9. MEETINGS

A. There will be an annual face-to-face meeting – one hosted/coordinated by the current chair of the association and the other during the World Bank's biennial Global Housing Finance Conference.
B. Additional ad-hoc (virtual) meetings/e-discussions to be proposed by members to discuss thematic issues of importance/relevance to their jurisdiction.

SUMMARY OF ACTIVITIES OF 2020–2021 MEETINGS

With the restrictions of the global pandemic, the biennial World Bank Global Housing Finance Conference that was to be held in May 2020 was canceled.

Therefore, it was decided to delay the biennial election for the ISMMA chairperson until May 2021. Mr. Chung was nominated and accepted to extend his chairmanship until the next in person conference. The ISMMA leadership decided to hold a series of virtual meetings until the group would be able to meet again in person.

The meeting agendas included a welcome from the Chairman, Mr. Chung Chee Leong; tour de table introductions of the ISMMA members and the organizations that they represent; presentations and discussion panels on relevant topics delivered by ISMMA members and invited speakers; member country/institutional updates of key highlights as well as other matters and closing remarks.

2020–2021 MEETINGS

JUNE 25, 2020

- Knowledge Sharing on COVID-19 Housing Finance Global Responses Presentation by World Bank
- Knowledge Sharing on Affordable Housing Finance for Informal Workers Presentation by PT Sarana Multigriya Finansial (SMF)

ISMMA MEMBER COUNTRY UPDATES:

Tanzania Mortgage Refinance Co. (TMRC), **OSWALD URASSA**

Pakistan Mortgage Refinance Co. (PMRC), **MUDASSIR KHAN**

Malaysia - Cagamas Berhad, **CHUNG CHEE LEONG**

Egyptian Mortgage Refinance Co. (EMRC), **EHAB ABOU ALI**

WAEMU - Caisse Regionale de Refinancement Hypothecaire (CRRH), **CHRISTIAN AGOSSA**

France - Caisse Refinancement de l'Habitat (CRH), **OLIVIER HASSLER**

Kenya Mortgage Refinance Co. (KMRC), **JOHNSTONE OLTETIA**

Russia - DOM.RF, **ALEXANDER PUCHKOV**

OCTOBER 7, 2020

- Update on COVID-19 Housing Finance Global Responses, Discussion by members
- IFC's EDGE Certification and Green Mortgages Presentation by Rusmir Music
- Adequate Regulatory Provisions for MRCs, Moderated by Olivier Hassler

ISMMA MEMBER COUNTRY UPDATES:

Nigeria Kenya Mortgage Refinance Co. (NMRC), **KEHINDE OGUNDIMU**

Kenya Mortgage Refinance Co. (KMRC), **JOHNSTONE OLTETIA**

Uzbekistan Mortgage Refinance Co. (UzMRC), **MURODJON FARMANOV**

DECEMBER 10, 2020

- JHF Green Bond Issuance Presentation by TAKEISHI Toshihiko ("Toshi")
- Energy Efficient Mortgages Initiative Presentation by Luca Bertolet
- Foreign Currency Debt Issuance Discussion, Moderated by Oscar Myaga with panel participants Christian Agossa of CRRH and Mohamed Asyraf of Cagamas

ISMMA MEMBER COUNTRY UPDATES:

Indonesia - PT Sarana Multigriya Finansial (Persero) (SMF), **ANANTA WIYOGO**

Kazakhstan Mortgage Company (KMC), **ASSEL DYKANBAYEVA**

CAGAMAS MULTICURRENCY NOTES PROGRAM

Cagamas Multicurrency Notes Programme was established in 2014. As of December 2020, $2.5 bln in conventional and $2.5 bln in Islamic totaling $5 bln in notes have been issued. Cagamas' foreign currency debt is issued out of Cagamas Berhad's subsidiaries, i.e.; Cagamas Global PLC and Cagamas Global Sukuk.

To date, Cagamas has issued 24 FCY issuances amounting to an aggregate volume close to MYR 10 bln in 5 different currencies, i.e., USD, SGD, RMB, AUD and HKD.

MARCH 4, 2021

- Why is the Housing Economic Value Chain Important for Secondary Mortgage Market Institutions? Presentation by David Gardner, CAHF
- SHF Sustainable Housing Portfolio Presentation by Patricia Mjiares Chavez
- IFRS 9 and Estimated Credit Losses, Moderated by Ehab Abou Ali

ISMMA MEMBER COUNTRY UPDATES:

Mongolian Mortgage Company (MIK), **GANTULGA BADAMKHATAN**

Armenia - National Mortgage Company (NMC), **ARAM KARAPETYAN**

JUNE 17, 2021

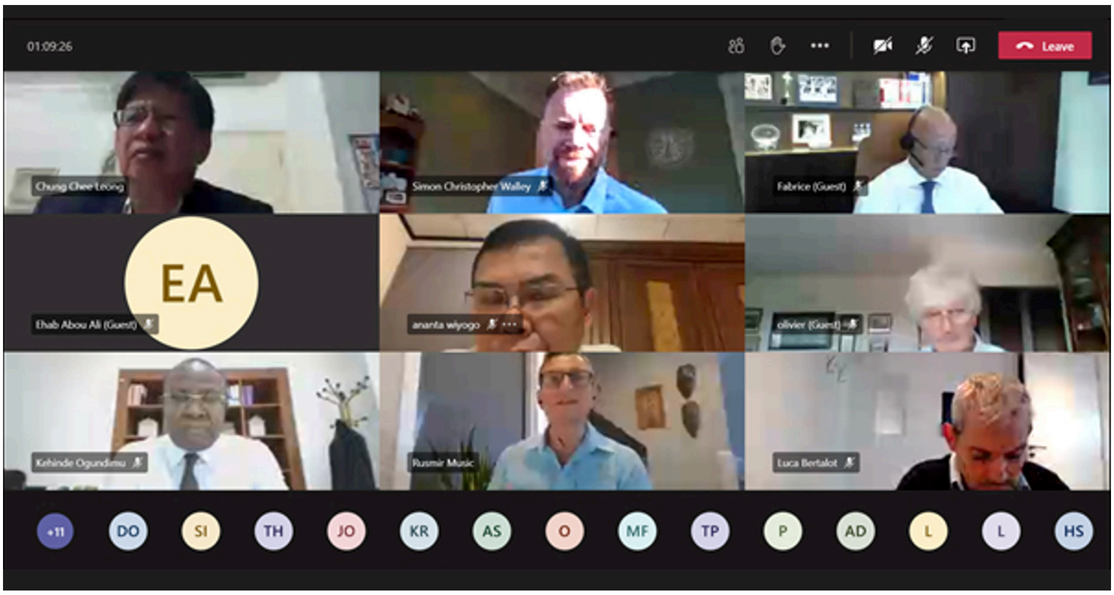
- Cagamas Reverse Mortgages Presentation by Shahrul Farelli
- Credit Loss Sharing Facility and Capital Markets Update Presentation by Mudassir Khan
- ISMMA Administrative Matters Presentation by Pamela Hedstrom

ISMMA MEMBER COUNTRY UPDATES:

Titularizadora Colombiana, **DIEGO ROJAS**

Japan Housing Finance Agency, **YUJI DATE**

SMC Kyrgyzstan, **KIYAL JEKSHENOV**



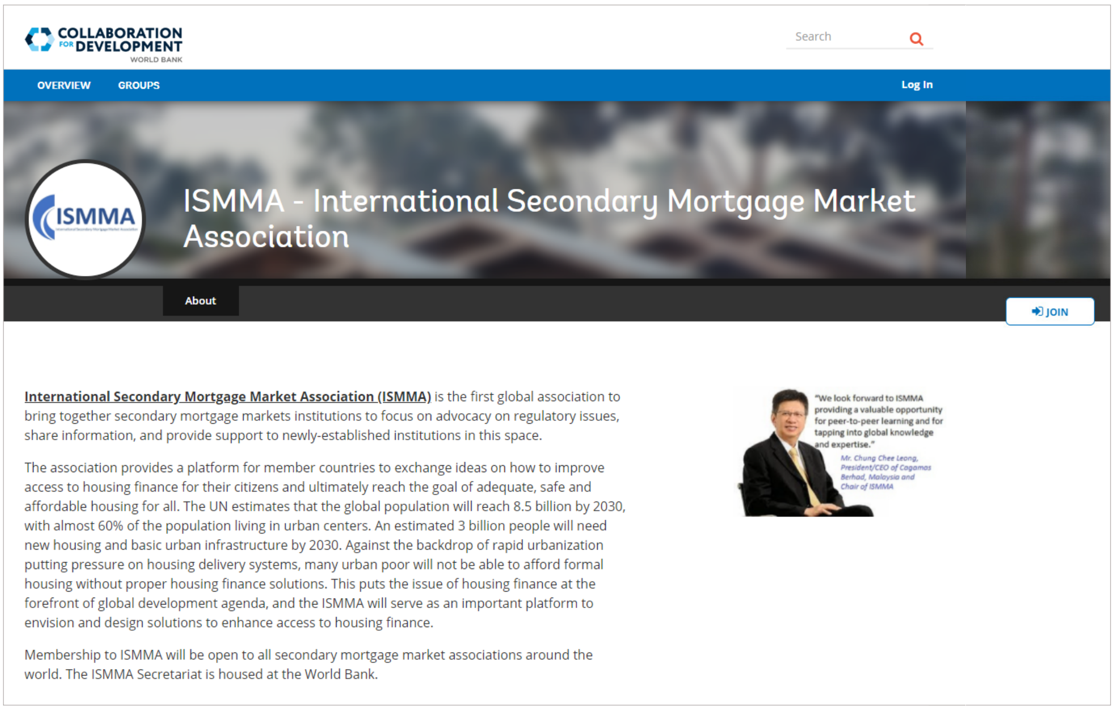
Virtual ISMMA meeting, October 2020

ISMMA WEBSITE DEVELOPMENT

A significant amount of work was done populating the ISMMA website with information on members and secondary mortgage markets. Separate folders were created for each ISMMA meeting, both in person and virtual, of the agenda, minutes and presentation materials. Short corporate profiles were added for 18 members. Additional member logos and website links were added.

A new section of more detailed corporate information has been added for each member—there are separate folders for folders for Annual Reports and Financials, Case Studies and Research Reports, Prospectus and Ratings Reports and Press Releases. Further work will be done during 2021/2022 on compiling information from each member.

THIS FIRST ISMMA ANNUAL REPORT WHICH COVERS THE GROUP'S ACTIVITIES WAS PREPARED FOR 2020 –2021.



ISMMA website homepage
https://collaboration.worldbank.org/content/sites/collaboration-for-development/en/groups/mortgage.html

SYNOPSIS OF "AFFORDABLE HOUSING FINANCE FOR NON-FORMAL WORKERS"

GRAB MOBILE HOUSING LOANS IN INDONESIA[1]

1. INTRODUCTION

As the world's 4th most populous country with 264.23 million people (as of 2018), Indonesia is facing a problem meeting the housing needs of its people. In recent years, the country's population growth rate has averaged 4.5% per year, while the housing growth rate has been only 1.7% per year, resulting in a housing backlog of 13.5 million homes.

The Government has been working to reduce this backlog and increase homeownership by implementing some subsidized mortgage programs for low income people, such as KPR SSB (Interest Difference Subsidy Mortgage) and KPR FLPP (Housing Financing Liquidity Facility). KPR FLPP is the government-subsidized mortgage program that was set up in 2010 to provide low cost funds that will be blended with a small portion of the bank's own resources and on lent to low income borrowers (income below IDR 4 million per month) at favorable rates and terms.

The KPR FLPP is carried out by the Ministry of Housing in cooperation with the Ministry of Finance's wholly-owned subsidiary company, PT Sarana Multigriya Financial (PT SMF), which is the only secondary housing mortgage company in Indonesia.

One of the greatest challenges to be solved is the fulfillment of housing needs for non-formal workers who comprise the majority of the Indonesian workforce. Data from the Indonesian Central Statistics Agency as of November 2019 states that of the total workforce of 133.56 million people, 55.72% of the working population, is included in the non-formal workers category. This sector includes are entrepreneurs, traders (including traders who market their products online), removable marketers, and others. Unfortunately, those who work in the non-formal sector have challenges in accessing bank financing, particularly for home ownership. They also have significantly more limited access to the housing subsidies delivered through the FLPP program as only 8.45% of these loans have been granted to non-formal workers.

1 Winner of 2020 World Bank Call for Papers on Theme of Partnerships in Affordable Housing

Due to the failure of the current bank partnership programs to reach this segment, SMF sought to design a program specifically to help non-formal workers have access to housing finance through non-bank financial institutions.

2. DISCUSSION

SMF in collaboration with Grab Indonesia, an online transportation platform provider, developed a housing finance facility for its informal workers. The SMF – Grab Mortgage Program was launched to help Grab drivers with variable (but bankable) income, get access to housing finance. SMF collaborated with two non-bank finance companies to implement and kickstart this Program.

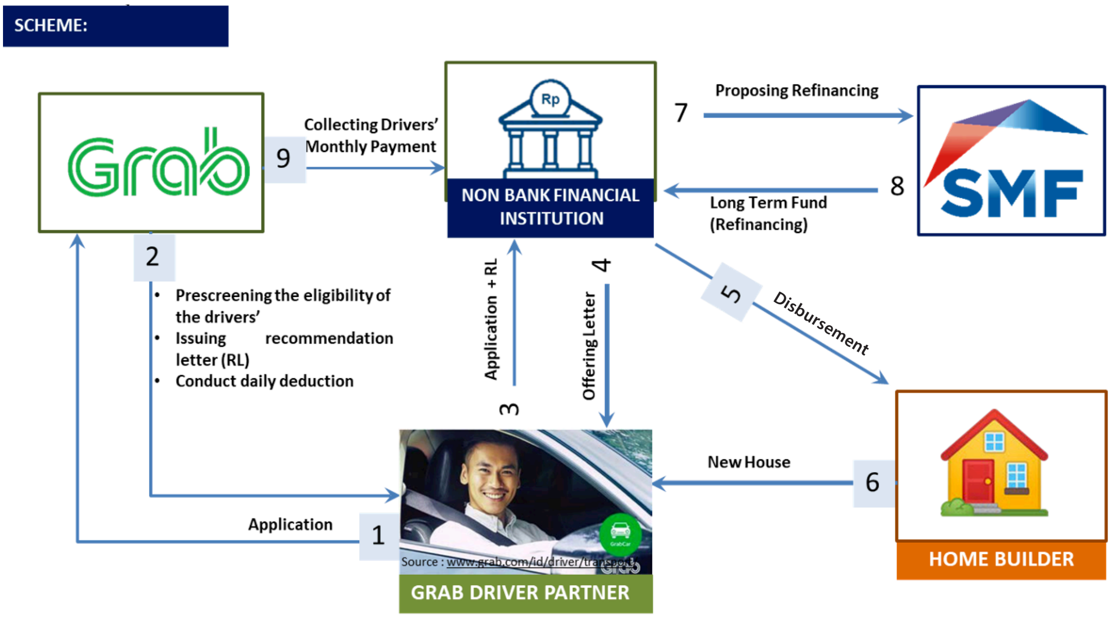
Grab Indonesia is an online transportation platform provider in the fields of transportation, digital payment and lifestyle. Headquartered in Jakarta, Grab has a has several businesses namely PT Grab Indonesia which houses motor bike partners (GrabBike), car driver partners (GrabCar) and car driver partners with rented vehicles (GrabRent). As of 2019, Grab had expanded its services from 12 cities in early 2017 to 222 cities in Indonesia resulting in it becoming the leading mobile platform with the widest coverage in the country in both the two-wheeled and four-wheeled vehicle segments. Grab had 2+million driver partners (5+ million throughout Asia) and contributed IDR 48.9 trillion ($3.49 billion) to Indonesia's GDP in 2018. Grab has also contributed to a 38% reduction in the unemployment rate / non-income community through opening employment opportunities and improvement in the quality of life of non-formal workers.

Based on an online survey that SMF conducted on about 500 drivers in Jakarta and surrounding areas in February 2019, it was found that 82% of respondents did not yet have a house and had constraints in accessing mortgages in banks, 97% of them wanted a low down payment and affordable housing costs, and 70% wanted a house ready for habitation. Based on the needs drawn from the results of the survey, SMF developed a KPR product scheme aimed at making it easier for Grab driver partners to obtain housing finance. In addition to facilitating home ownership, for Grab Indonesia, this product is also useful in increasing driver loyalty and retention.

SMF collaborates with Grab Indonesia by cooperating with the Finance Company to channel mortgage loans to Grab's driver partners. The initial target group were drivers with GrabRent, who have 5-year contracts with PT Tranpostasi Pengangkutan Indonesia (TPI), as a Grab representative company in Indonesia.

As shown in Figure 1 below, the housing finance scheme for Grab driver partners can be described through the following scheme:

FIGURE 1 Indonesia Grab Driver Financing Scheme



Grab Indonesia conducts the initial screening of its partners who wish to apply for housing finance from the Finance Company. To apply for a mortgage, Grab drivers must qualify based on the following eligibility criteria including:

- Minimum rating of 4 (Grab has a performance rating system for their driver partners, ranging from 1-5, with 5 being the highest driver performance);
- At least 1 year as a Grab Indonesia driver;
- Minimum gross income of IDR 8 million ($571) per month;
- Not have a house yet or be classified as the first home buyer; and
- Has not been suspended in the past 6 months.

Grab Indonesia drivers who are prescreened and recommended by the company submit housing finance applications to the Finance Companies by completing the required documents. After conducting a credit or feasibility analysis, the Finance Company will deliver an offer letter to the Grab driver detailing the terms and conditions of the loan. Upon acceptance, the Finance Company will disburse the purchase price for the selected house to the home builder and enter into a mortgage loan agreement with the Grab driver. The Finance Company can pledge its Grab mortgage loan portfolio to SMF in return for long term refinance which helps maintain the Finance Company's liquidity safely.

Only new houses with an IDR 350 million ($25,000) maximum are eligible for the Grab Program. Mortgage loans terms include 1% down payment, maximum 15-year term and no loan processing costs. Grab deducts funds daily from the drivers and remits the mortgage payment monthly to the Finance Companies. The mortgage loan interest rate is market-based since the Program is funded by SMF's bond issues.

SMF and Grab jointly determine which housing projects are included in the Program and offered to the drivers for purchase. Financial analysis and field visits are conducted on the potential developers to ensure the selected developers have the capacity to undertake credible housing projects and physical buildings including housing infrastructure are of good quality.

In the selection of housing projects, SMF and Grab choose locations in less-populated areas such as Bogor, Cikarange, and Tangerang, where housing prices are still cheap. This also helps support government programs in reducing population density in urban areas.

Compared to the formal segment, the risk of providing housing finance to the non-formal worker segment is higher. Some mitigations that the Program employs are:

- The Grab Program interest rate is fixed at a reasonable rate for the loan term which makes the monthly instalments affordable to the drivers;
- The Finance Company enters into a monthly salary deduction mechanism with Grab who collects daily payments from the drivers;
- If employment with Grab is terminated, the Finance Company can charge a floating interest rate to the borrower that is in line with the increased risk;
- Limitation on the maximum price of housing that drivers can buy; and
- The mortgage loan is protected by life insurance for debtors, fire insurance for housing units financed and by credit insurance for finance companies on the mortgage loans.

3. RESULTS & CONCLUSION

The key to the success of the Grab Program lies in the product features that are designed to accommodate the homebuying needs of drivers:

- Ease of borrower qualification with the Grab recommendation letter attesting to the driver's good job performance and the company' support in submitting the applications and required documents;
- Lower down payment of only 1% required by the Finance Company as opposed to a minimum down payment of 10% mandated by the banks;
- Affordable credit process costs negotiated by SMF and Grab with selected developers to provide discounts on notary fees, insurance, and taxes; and
- Attractive, fixed interest rates throughout the life of the loan that provide improved affordability for the drivers while allowing them to own a house sooner than using bank financing.

Meanwhile, with the Grab Program not having access to the government subsidy from KPR FLPP, the interest rate is closer to commercial levels hindering affordability and limited capacity at the finance companies have has resulted in slow loan processing timetables.

The initial Grab financing scheme was run on a small scale and was expected to be replicated and applied in other non-formal worker segments. The Program provided new insights relating to how government agencies and private companies can increase collaboration to fulfill housing needs and reduce housing backlog, particularly for non-formal workers.

While the Grab Program has been halted since March 2020 due to the pandemic it can be applied to other informal worker sectors in the future.

GREEN HOUSING FINANCE, BUILDING AND BONDS

During this past year, ISMMA benefited from several presentations on green housing finance, building and bond issuance.

The green buildings sector represents a $24.7 trillion investment opportunity by 2030 across all emerging market cities with a population of more than half a million people.[2] The investment opportunity in residential construction, estimated at $15.7 trillion, represents 60 percent of the market. There is a strong business case for growing the green buildings market. Emerging evidence indicates that green buildings, or buildings that use energy and water more efficiently, are a higher-value, lower-risk asset than standard structures. While building green could range from savings of 0.5 percent to 12 percent in additional costs, green buildings can decrease operational costs by up to 37 percent, achieve higher sale premiums of up to 31 percent and faster sale times, have up to 23 percent higher occupancy rates, and have higher rental income of up to 8 percent.[3]

Green building rating systems such as IFC's EDGE add a lot of value to residential projects on their own. However, when coupled with financial products and incentives, they present a more attractive proposition for both developers and homebuyers, promoting unprecedented growth and scale for homes that contribute to climate change mitigation.

Banks and developers are creating innovative financial products for green buildings. Green mortgages are a win-win with increased revenue for lenders and lower out-of-pocket expenses for homebuyers. Energy efficient mortgages also may enjoy better capital charges and regulatory treatment. The EU's EeDaPP Report[4] found that green mortgages experienced lower default rates, more energy efficient buildings are associated with relatively lower risk of default confirming that EE investments tend to improve owners'/borrowers' solvency.

2 IFC (2018), Climate Investment Opportunities in Cities, available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/climate+business/resources/cioc-ifc-analysis

3 IFC (2019), Green Buildings: A Finance and Policy Blueprint for Emerging Markets, available at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/climate+business/resources/cioc-ifc-analysis.

4 Energy efficiency Data Protocol and Portal: Final report on correlation analysis between energy efficiency and risk (D5.7), available at: https://eemap.energyefficientmortgages.eu/wp-content/uploads/EeDaPP_D57_27Aug20.pdf

On the funding side, growth in green bond issuance has been strong: as of September 2020 the market has reached $1 trillion after increasing 68% and 72% in 2018 and 2019, respectively.

Several ISMMA members shared their experiences as discussed below:

GREEN MORTGAGES AND FUNDING

Rusmir Music presented the IFC's EDGE Certification Program (Excellence in Design for Greater Efficiencies) and Green Mortgages. The EDGE definition of a green building is certifiably green as verified by an independent third party, 20% better performance than the local baseline (energy, water and materials) with quantified impact reporting. EDGE is aligned with international green finance standards for green buildings such as ICMA, CBI, EU, GRESP and CDP. The EDGE software (https://edgebuildings.com/software/) is a free tool that calculates the ROI for resource efficiency measures tailored to the local climate.

Several EDGE case studies were presented that support the business case for green residential building, mortgages and funding. Incremental costs for green homes are much lower than market perception – in South Africa green features were $270 or < 1% of capital costs and in Vietnam they were 1% more. In South Africa, residents in green affordable housing units enjoyed utility savings of up to 1 month of rent each year. Capital House's EDGE certified showcase apartments in Vietnam Green housing experienced sales at three times the rate of regular units.

EDGE certified homes also attracted new investors through green bond issues in Mexico and Columbia and new bank financings for eco home and loan products in South Africa. Many governments are also using the EDGE standard in affordable housing projects by providing free land (Kenya), PPPs (Nigeria) and incentivizing green homes through higher LTV ratios (Indonesia).

CASE STUDY: ISMMA MEETING LEADS TO RELATIONSHIP BETWEEN IFC EDGE AND NHMFC'S BALAI BERDE

ISMMA member from the Philippines, National Home Mortgage Finance Corporation (NHMFC), is focusing on promoting home loans that are greener. Following the IFC EDGE presentation made to ISMMA, NHMFC with assistance from IFC launched the BALAI BERDE ("Building Eligible Resilient Dwelling for Everyone") program. BALAI BERDE offers a liquidity facility to developers and banks through the purchase of mortgage receivables on eligible green housing projects. These purchases are backed by proceeds from green bonds issued by NHMFC. Using EDGE will help NHMFC assure investors that proceeds from its green bonds will be used for projects that genuinely help mitigate the effects of climate change. The loans that NHMFC acquires must be for homes that use at least 20 percent less energy, water and embodied energy in materials than a typical residential property. Homebuyers also benefit from the program since eligible housing units are covered by lower, fixed interest rates, longer terms, and additional discounts for the marginalized sector.

SOURCE: https://edgebuildings.com/balai-berde-and-edge-scaling-up-green-housing-in-the-philippines

SHF SUSTAINABLE HOUSING PORTFOLIO

Patricia Mjiares Chavez presented Sociedad Hipotecaria Federal (SHF)'s sustainable housing portfolio. SHF is a Mexican Development Bank with a mandate to foster housing finance markets to provide access to all to adequate homes. SHF has a credit facility, guarantee program and provides loans to developers. SHF has a combined US$ 16.4 bln mortgage portfolio (SHF-FOVI-SCV) and has reached US$ 1.4 bln ranking first in housing construction financing in Mexico. SHF's financial mechanisms include international funding - concessional loans and grants, intermediation of interest rate reductions and credit lines; and interest rate subsidies and technical assistance for developers. SHF's portfolio activities promote low carbon market development; combined portfolio results include 2,535,573.71 tCO2e mitigated, 77,556 units of adequate and sustainable housing, 310,224 Mexicans have benefited, and 28 estates have been constructed. In 2020, the Climate Bond Initiative (CBI) certified the SHF's flagship program – EcoCasa - as standard under the modality of "Low Carbon Residential Buildings" in Mexico. SHF and developers can now issue green bonds backed by EcoCasa projects. For further details visit https://www.gob.mx/shf.

JHF GREEN BOND ISSUANCE

TAKEISHI Toshihiko ("Toshi") presented the Japan Housing Finance Agency's (JHF) green bond issuance program. In 2017, the Japanese Ministry of Environment (MOE) introduced Green Bond Guidelines based on the Green Bond Principles (GBP) issued by the International Capital Market Associations (ICMA) and sponsored a pilot program to encourage the issuance of green bonds within Japan. JHF was selected to be in the pilot program to issue green bonds to fund the purchase of residential mortgages on the Flat35S program for new construction with high energy efficiency, seismic resilience, handicap accessibility and high durability. As of November 2018, JHF's portfolio had 280 billion yen in Flat35S qualifying mortgages. JHF's first green bond was issued for 10 billion yen in January 2019 and purchased by a broad group of institutional investors. The green bond is structured so that the bond principle amount is always less than the purchase receivables - even with high prepayments. As of December 2020, JHF has issued 17 green bonds for funding Flat35S units.

ENERGY EFFICIENT MORTGAGES INITIATIVE

Luca Bertolet presented the Energy Efficient Mortgages Initiative (EEMI) funded by the EU. Euro 200 billion in yearly investment is needed to reach the EU climate targets. The market for energy efficiency is huge as 237 mln buildings in Europe (220 mln were constructed prior to 2001) are not up to the Paris standards. EEMI is a global, market-led initiative with the aim of mobilizing capital markets and implementing ESG best practices in the financial sector. EEMI consists of 3 EU-funded projects and its Pilot Scheme comprises 6 banks, 43 supporting organizations and an Advisory Council. The projects aim to create a standardized energy efficient mortgage (EEM) and to deliver a market-led protocol for recording the data relating to EEM assets. EEMs finance the purchase/construction and/or renovation of both residential (SF & MF) and commercial buildings where the energy performance meets or exceeds best practice standards or shows an improvement in energy performance of at least 30%.

The EEMI project is also developing a market-led protocol to identify EE assets that can be used to build green covered bonds and securitizations. A database of green bond issues will be compiled - each bond will click through to assets and info on LTV, maturity, NPL, %s, etc. EUR 20 bln in assets have been labeled so far. For further information visit http://www.energyefficientmortgages.eu

IFRS 9 AND SECONDARY MORTGAGE MARKET INSTITUTIONS

At the March 4, 2021 meeting, the Egyptian Mortgage Refinance Company (EMRC) was implementing IFRS 9 and developing an Estimated Credit Loss (ECL) Model and was looking for insight from other institutions working in the secondary mortgage markets.

MRCs have a diversity of business models and products ranging from low risk liquidity provision requiring overcollateralization to loan purchase with recourse, securitization and guarantee products. For instance, the French MRC, CRH, is solely a liquidity provider with significant overcollateralization serving highly-rated banks and thus does not do credit risk modelling for its portfolio.

Many MRCs adopt international accounting standards such as IFRS 9 or its local equivalent to make ECL provisions, which are required for purchases of loans outright and guarantee products. The MRCs are subjected to the possibility of loss should the underlying assets or guaranteed obligations become impaired. Some MRCs that are 100% owned by Government or do not issue in international markets do not adopt international accounting standards like IFRS 9.

Cagamas shared its experience in implementing ECL models. In their liquidity with recourse facility (PWR or Purchase with recourse), Cagamas computes the ECL as required by MFRS 9 guidelines (equivalent of IFRS 9). The assumptions applied are as follows:

1. Probability of Default (PD) p.a. is based on external rating agencies' PD table for the appropriate counterparty dependent in its corresponding rating. So, an "A" counterparty would have a higher PD p.a. than "AAA" counterparty, generally.
2. Loss Given Default (LGD) is based on 1% of 1st lien LGD rate published by a reputable credit rating agency, such as Moody's, as agreed between the MRC and external auditors based on the final method as described in the MFRS 9 guidelines.
3. Exposure at Default (EAD) is based on projected cash flow of the current outstanding principal balance of PWR assets.

Cagamas' ECL for PWR is expected to be minimal due to the comparatively low default risk (based on the counterparty's default risk instead of the underlying asset's default risk), the counterparty's obligation to replace a defaulted asset with similar quality performing asset, and lack of historical default of PWR counterparties.

For Cagamas' wholesale purchases for liquidity, its ECL model is simpler but ECL provision is still required for weaker financial institutions.

For Cagamas' Purchase Without Recourse (PWOR) and mortgage guarantee products, the ECL model primarily considers the underlying credit risk of the obligations on a forward-looking basis. Appropriate PD, LGD, EAD and forward-looking models are required for the ECL modelling for these products. Cagamas has in-house models built for these products that that comply with the MFRS 9 standards.

SECONDARY MORTGAGE MARKETS IN THE COVID PANDEMIC

EXPERIENCES FROM THE WORLD BANK AND ISMMA MEMBERS

At the June 25, 2020 meeting, the World Bank presented its research on COVID-19 and global housing finance responses:

"The adverse impacts of the COVID-19 pandemic has been transmitted to the housing finance sector through households, the financial system and the housing sector. One of the most immediate effects of the COVID-19 outbreak was a loss of income for many households and an inability to meet mortgage or rent payments. The repercussions for the financial system included an increase in bad debts, provisioning and reduced capital ratios. This, in turn, put pressure on secondary mortgage markets and created market liquidity challenges, as seen during the Global Financial Crisis.

Responses have been a mix of forbearance for households, regulatory forbearance for lenders and liquidity provision to the financial system. Policy responses by the World Bank are focused on supporting governments in maintaining liquidity to housing finance lenders, ensuring inclusive approaches to housing crisis response and laying the ground for a rapid resumption of activity when crisis abates. The housing sector can play a strong role in recovery as a channel for stimulus and employment creation, where large-scale investments are needed to meet SDG11 on safe, adequate and affordable housing for all."

SOURCE: COVID-19 Outbreak: Housing Finance Implications and Response, World Bank, April 1, 2020

SEVERAL ISMMA MEMBERS SHARED THE EXPERIENCES IN THEIR COUNTRIES:

MALAYSIA

The government's responses included reductions in the overnight policy rate (OPR) and the statutory reserve requirements (SRR) as well as financial institutions' automatic deferment of all loan/financing repayments until 30 Sept 2020. There was a targeted extension of the moratorium and repayment flexibility for individuals and SMEs who continue to be affected by COVID-19. During the 6-month period, Malaysian financial institutions have been allowed to: drawdown the capital conservation buffer of 2.5%; operate below the minimum LCR of 100%; reduce the regulatory reserves held against expected losses to 0%; and the minimum NSFR was lowered to 80%.

SAUDI ARABIA

The government has provided 3-6 months forbearance to certain individual in the private sector including those in healthcare and the unemployed (except those in the financial sector). SAMA, the regulator, has provided facilities to SMEs and will not require recognition of any PV losses until after the moratorium is over.

NIGERIA

The government is providing some stimulus on the supply side which may be followed by demand side stimulus later. Housing credit has dried up except for the top tier borrowers.

INDONESIA

The government's National Economic Recovery Program (NERP) for supporting COVID-19 recovery was $49.3 bln USD for 2020 including $780 mln housing loan subsidies through the Housing Financing Liquidity Facility (FLPP) for low income people (103,000 and 157,000 in 2020 and 2021, respectively). SMF is actively participating in the NERP.

KOREA

KHFC issued EUR 500 million Covid-19 Response Social Covered Bonds to aid struggling households due to the Covid-19 pandemic. The first of its kind in Asia, this covered bond was elected as the Best Social Bond in Asia by The Asset and the Best Structured Finance Deal by Global Capital in Dec, 2020.

ISMMA MEMBER PROFILES

ALGERIA: Société de Refinancement Hypothécaire (SHF)

SHF was established in 1997 and is approved by the Bank of Algeria and authorized by the Money and Credit Council to carry out mortgage refinancing and real estate leasing operations. SRH is 25% government owned and 75% by public financial institutions.

www.srh-dz.org/

ARMENIA: National Mortgage Company (NMC)

NMC was established in 2009 and is wholly-owned by the Central Bank of Armenia. NMC's primary objective is to increase access to housing finance for low- and middle-income families. The company refinances local currency, fixed rate mortgage loans with a focus on rural and EE loans from 16 banks and 9 credit organizations. NMC is funded by shareholder capital, lines of credit from IFIs and bonds issued in the local market.

www.nmc.am/en

AZERBAIJAN: Mortgage and Credit Guarantee Fund (MCGF)

Th Azerbaijan Mortgage Fund was established under the Central Bank of Azerbaijan in 2005. In 2017, it was merged Credit Guarantee Fund of the Republic of Azerbaijan to for the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan. The Fund is a not-for-profit organization, which is fully owned by the state. The Fund carries out mortgage lending, provides guarantees on mortgage loans and SME loans. The Fund issues bonds, as well as carries out activities to ensure liquidity for mortgage lending and to attract other forms of investment to develop the Fund's activities.

www.mcgf.gov.az

CANADA: Canadian Mortgage and Housing Corporation (CMHC)

CMHC was established in 1946 and is a Crown corporation governed by a Board and responsible to Parliament through a Minister. The Company's activities housing assistance and housing analysis and research, which are fully government-funded. CMHC's commercial activities include mortgage financing and mortgage loan insurance.

www.cmhc-schl.gc.ca/

COLUMBIA: Titularizadora Colombiana (TC)

TC was established in 2001 in response to the Columbian mortgage crisis and is a private institution, with shareholders that include BCSC, Bancolombia, Davivienda, AV Villas, Colpatria, and Seguros Bolivar. TC is the first company specialized in asset securitization for mortgages, real estate, consumer loans and commercial loans.
www.titularizadora.com/

EGYPT: Egyptian Mortgage Refinance Company (EMRC)

EMRC was established in 2006 and is a wholesale institution with a majority ownership by its users. EMRC provides refinancing funds to primary mortgage lenders collateralized by mortgage loans at full recourse. EMRC raises funds through long-term loans from institutional investors and equity contributions from its shareholders. The Company has experienced strong refinance loan portfolio growth particularly since 2017 due to EMRC's participation in the Central Bank of Egypt's program to refinance mortgages for low and middle income citizens.
www.emrc-online.com/

FRANCE: Caisse de Refinancement de l'Habitat (CRH)

CRH was established in 1985 as a monoline mortgage refinance company that acts strictly as a pass-through entity. Its Mortgage Promissory Notes made to primary lenders mirror its bonds in terms of amount, interest rate, maturity and currency. CRH is a non-profit cooperative entity owned by its users/shareholders and does not charge any margin; revenues are earned exclusively from the investment of its capital. In 2014, CRH came under the purview of the European Central Bank, which led to a period of uncertainty over capital adequacy and other regulatory aspects of CRH operations. Refinancing activities were stalled until October 2019; since then CRH has issued five new bonds with maturities ranging 7 to 15 years bonds.
www.crh-bonds.com/

HONG KONG: Hong Kong Mortgage Corporation (HKMC)

HKMC was established in 1997 and is wholly owned by the Hong Kong Special Administrative Region Government through the Exchange Fund. Products include 100% personal loan guarantees, fixed-rate mortgages, mortgage insurance, reverse mortgages, policy reverse mortgages, SME financing guarantees, mortgage purchases, debt issuance, mortgage-backed securitization, infrastructure financing and securitizations.
www.hkmc.com.hk/eng/

INDIA: National Housing Bank (NHB)

NHB was established in 1988 and is owned by the Reserve Bank of India. Products include mortgage refinancing, project loans and securitization.
www.nhb.org.in/

INDONESIA: Secondary Mortgage Facility (SMF)

PT Sarana Multigriya Finansial (Persero) (SMF), Indonesia was established in 2005 and is wholly owned by the government. SMF's activities include facilitating securitization for mortgage lenders and providing a financing facility for mortgage lenders that is funded by debt issuance. New regulations now allow SMF to refinance housing mortgage loans, pre-sale mortgage loans, micro housing loans, construction loans, reverse mortgages and PPP loans. SMF is actively participating in the government's National Economic Recovery Program (NERP) for supporting COVID-19 recovery and is also establishing the first guarantee company in Indonesia.
http://smf-indonesia.co.id/en

JAPAN: Japan Housing Finance Agency (JHF)

JHFA was established in 2007 and is wholly owned by the Japanese government. It was founded to securitize support, develop housing loan insurance service and loan origination business. Products include securitization support, housing loan insurance service and loan origination businesses.
https://www.jhf.go.jp/english/index.html

JORDAN: Jordan Mortgage Refinancing Company (JMRC)

JMRC is a public shareholding company established in 1996 based on the direction of the Government, with the cooperation of the World Bank and the support of the Central Bank of Jordan. JMRC provides mortgage refinancing and issues medium and long-term bonds in the local capital market.
www.jmrc.com.jo/

KAZAHKSTAN: Kazakhstan Mortgage Company (KMC)

Kazakhstan Mortgage Company was established in 2000 and is 100% owned by the government through the "National Managing Holding "Baiterek", JSC. KMC has transitioned to a single operator model and now also offers rent-to-own, construction support and construction guarantee products, subsidy programs as well as mortgage loans and refinance. The Company issues covered and unsecured bonds.
https://kmc.kz/en

KENYA: Kenya Mortgage Refinance Company (KMRC)

KMRC was established in 2018. KMRC now has 21 shareholders including 8 banks, 1 microfinance bank, 11 SACCOs and 2 development finance institutions. The Government of Kenya through the National Treasury owns twenty (20) percent. KMRC received its license in September 2020 and will act as a wholesale lender offering refinance for affordable housing loans as per the GoK's Big Four Agenda. These loans will be funded through concessional funding obtained from International Development Partners. KMRC will also provide refinance for market rate housing loans which will be fully funded through the issuance of bonds in the capital markets.
www.kmrc.co.ke

KOREA: Korean Housing Finance Corporation (KHFC)

KHFC, established in 2004, is a state-run enterprise whose mandate is to improve public welfare and facilitate the development of the Korean economy by increasing the supply of housing finance. KHFC has wide-ranging housing finance operations including the supply of Bogeumjari Loan and Confirming Loan, the issuance of credit guarantees for housing finance, Home Pension (Reverse Mortgage), and the securitization of mortgage-backed claims and other instruments. In 2020, KHFC provided public mortgages of USD 39.1 billion, housing finance credit guarantees of USD 59.1 billion, reverse mortgage guarantees of USD 10 billion. KHFC issued MBS & Covered Bonds worth USD 42.4 billion & USD 1.8 billion, respectively. Through issuance of Social Bonds, KHFC purchased a total of USD 45.7 billion of mortgage loans for 414,412 cases in 2020, supporting homeownership of low-to-moderate income households.
https://www.hf.go.kr/ehf/index.do

KYRGYSTAN: State Mortgage Company (SMC)

SMC was established in 2015 and is 100% owned by the government represented by the State Property Management Fund. The company's activities include the issuance of mortgage loans for ready-to-use housing and individual housing construction. In 2018, SMC did its first issue of mortgage-backed bonds. The company has also received debt financing from KfW. In 2020, SMC started a rent-to-own housing program and launched a subsidiary for contract savings schemes for housing. SMC has also created an e-portal for applications which has reduced the process from 1-3 months to 30 minutes at up to a 60% reduction in borrowers' 'costs.
https://gik.kg/en/

MALAYSIA: Cagamas Berhad

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia. It issues corporate bonds and sukuk to finance the purchase of housing loans and receivables from financial institutions, selected corporations and the public sector. Cagamas offers both conventional and Shariah products including purchase with recourse of housing loans, commercial and industrial property loans, hire purchase and leasing debts and personal loans; purchase without recourse of housing loans and guarantees for mortgages and first time home buyers. Cagamas is the largest issuer of debt instruments in the Malaysian capital market and is also an active issuer of foreign currency bonds in international markets.
https://www.cagamas.com.my/

MEXICO: Sociedad Hipotecaria Federal (SHF)

SHF was established in 2001 and is wholly owned by the governmental Mexican bank. SHF promotes the development of the primary and secondary housing markets through guarantees or various financial instruments for the construction, acquisition and improvement of housing. SHF's financial mechanisms include international funding - concessional loans and grants, intermediation of interest rate reductions and credit lines; and interest rate subsidies and technical assistance for developers which all leads citizens' ability to access to adequate sustainable homes at no additional cost. SHF's portfolio activities also promote low carbon market development, reduction in CO2 emissions and contribute to Mexico reaching its climate goals. Its ECOCASA program was accepted by the Climate Bond Initiative (CBI) in 2019 enabling SHF to issue green bonds backed by ECOCASA projects.
www.gob.mx/shf

MONGOLIA: Mongolian Mortgage Corporation (MIK)

MIK was established in 2006 by the Bank of Mongolia and 10 commercial banks. The MIK group company consists of MIK Holding, Mongolian Mortgage Corporation (MIK) HFC and 25 Special Purpose Companies (SPC). MIK offers liquidity refinancing and securitizations. In 2013, the GOM's subsidized Affordable Housing Finance Program (AHFP) was established and comprises 74% of Mongolia's total mortgage loans; MIK's purchased mortgage loan portfolio is USD 1.25 bln including 81% of the AHFP loans. In 2021, MIK issued a 3-year USD 250 million bond in the international capital markets the proceeds of which were used to redeem its earlier 2019 bond and expand its purchase with recourse (PWR) business.
http://www.mik.mn/en/

NIGERIA: Nigeria Mortgage Refinance Company (NMRC)

NMRC was incorporated in 2013 and obtained its license from the Central Bank of Nigeria in 2015. NMRC has 27 investors with the Ministry of Finance Incorporated (MoFI) and the Nigerian Sovereign Investment Authority (NSIA) holding 15.68% and 20.91%, respectively. Five commercial banks and 20 primary mortgage banks represent 11.11% and 52.30%, respectively. NMRC's Tier 2 Capital includes a Subordinated Loan of US$ 168.13 Million from the World Bank loan to the Federal Republic of Nigeria for funding of the Housing Finance Programme. NMRC's products include mortgage refinancing, securities issuance and standardization. NMRC completed its N10 billion 7.2% Series 3 Fixed Rate Bond in November 2020. NMRC is establishing the first guarantee company: Nigeria Mortgage Guarantee Company and will own 25% of the company.
http://nmrc.com.ng/

PAKISTAN: Pakistan Mortgage Refinance Company (PMRC)

Pakistan Mortgage Refinance Company (PMRC) was set up as a Mortgage Liquidity Facility by the State Bank of Pakistan (SBP) to address the long-term funding constraints in the primary mortgage market. PMRC is owned by SBP and 10 other shareholders. PMRC provides conventional and shariah-compliant housing refinance and funding. PMRC is providing financing facilities for micro-housing loans targeted to low income groups. In 2020 PMRC launched a Credit Loss Guarantee scheme as Trustee for the Government of Pakistan. PMRC raised Rs. 1 Billion in 2020 through its first fixed rate bond offering.
https://www.pmrc.com.pk

PALESTINE: Palestine Mortgage and Housing Corporation (PMHC)

Palestine Mortgage and Housing Corporation was established in 1997 by an initiative from the Palestinian National Authority and a number of large Palestinian and International economic institutions, that specialize in housing finance. PMHC refinances mortgage loans that are originated by its partner banks through its first subsidiary; Palestine Housing Finance Corporation, in addition the company insures against mortgage credit risk through its other subsidiary; Palestine Mortgage Insurance Fund.
www.pmhc.com

PHILIPPINES: National Home Mortgage Finance Corporation (NHMFC)

The National Home Mortgage Finance Corporation (NHMFC) was established in 1977 with the mandate of increasing the availability of affordable housing loans to finance the Filipino homebuyers. NHMFC buys mortgages originated by private financial institutions and issues mortgage-backed financial instruments. The Social Housing Finance Corporation, a subsidiary of NHMFC, purchases social housing loan receivables.
http://www.nhmfc.gov.ph/

RUSSIA: DOM. RF (formerly Agency for Housing Mortgage Lending)

DOM.RF is an integrated housing development institution that was established by a decree of the Russian Federation's Government in 1997 to promote the implementation of housing policy. The company is 100% owned by the Russian Federation represented by the Federal Property Management Agency. DOM.RF takes an integrated approach to the development of housing construction and mortgage lending; its activities include creation of a mortgage and housing construction bank, development of the mortgage market and mortgage-backed securities, housing and mortgage markets research, development of the rental housing market and unlocking and enabling unused and inefficiently used federal land.
https://xn--d1aqf.xn--p1ai/en/

SAUDI ARABIA: Saudi Real Estate Refinance Company (SRC)

SRC was established in 2017 and is owned by the Public Investment Fund (PIF) and licensed to operate in the secondary real estate market by the Saudi Arabian Monetary Authority (SAMA). SRC offers funding to lenders, who are banks and finance companies, to enable them to offer accessible home loans for homebuyers.
https://www.srco.com.sa/

TANZANIA: Tanzania Mortgage Refinance Company (TMRC)

TMRC was established in 2010 under the World Bank's Housing Finance Project and is regulated by the Bank of Tanzania (BoT). TMRC is a wholesale secondary market institution that provides long-term funding to financial institutions for the purposes of mortgage lending. TMRC is a private sector institution owned 17 shareholders including banks and non-bank institutions. TMRC began operations using funding from a World Bank loans and initially provided pre-finance as well as refinance. Afterwards, the company began issuing corporate bonds under a Medium Term Note Programme (MTN) and establishing credit line with other investors.
www.tmrc.co.tz

UNITED STATES: Fannie Mae

Fannie Mae was established in 1938 as a government-sponsored enterprise and since 1968 has been a publicly traded company. Fannie Mae provides liquidity to the single-family market by purchasing and guaranteeing mortgage loans made by their lender customers and issuing debt securities and mortgage-backed securities (MBS) that attract global investors to finance U.S. housing. Fannie Mae is also active in providing financing to the multi-family property market by transforming multifamily loans into MBS.
www.fanniemae.com

UNITED STATES: Ginnie Mae

Ginnie Mae was established in 1968 and is a U.S. Federal Government-owned corporation within the Department of Housing and Urban Development (HUD). Ginnie Mae guarantees investors the timely payment of principal and interest on MBS backed by federally insured or guaranteed single family and multifamily loans — mainly loans insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA). Ginnie Mae securities are the only MBS to carry the full faith and credit guaranty of the U.S. government.
www.ginniemae.gov

UZBEKISTAN: Uzbekistan Mortgage Refinancing Company (UzMRC)

UzMRC was established in 2019 by the Ministry of Finance in cooperation with ADB. The MOF owns 25% of UzMRC and 12 banks (8 state owned and 4 private banks) own 75% forming a capital size of UZS 100bln (ca. USD 10mln). In June 2020, UzMRC received its license from the Central Bank of Uzbekistan (CBU) and was included in the list of institutions regulated by the CBU. UzMRC started refinancing operations in October 2020 using a sovereign loan from ADB (USD 150mln) and closed the year with a loan portfolio of UZS 300bln (ca. USD 30mln) generated from seven banks. UzMRC plans to issue soum denominated corporate and mortgage bonds to further the development of local capital markets.

www.uzmrc.uz

WAEMU: Caisse Regionale de Refinancement Hypothecaire (CRRH)

CRRH was established in 2010, in Cotonou, by 29 commercial banks of the Union with BOAD. CRRH has operations in 8 countries, has issued 7 bonds and refinanced 34 banks. In 2017, CRRH began offering refinance for affordable housing loans utilizing $70 million in credit lines from the World Bank and KfW. In 2020, CRRH has started providing refinance to MFIs using funding from the World Bank.

http://crrhuemoa.org/

Attendees at First ISMMA meeting in
Kuala Lumpur, Malaysia in April 2019

FRONT ROW (FROM LEFT): Mudassir Khan - CEO, Pakistan Mortgage Refinance Corporation (PMRC); Olivier Hassler - Chairman, CRH France; Simon Walley - World Bank; Jung Hwan Lee - CEO, Korea Housing Finance Corporation (KHFC); Wasukarn Visansawatdi - President, Secondary Mortgage Corporation (SMC), Thailand; Chung Chee Leong - Chairman ISMMA and CEO Cagamas; Loic Chiquier - World Bank; Kehinde Ogundimu - CEO Nigeria Mortgage Refinance Company (NMRC); Yuji Date - Japan Housing Finance; Ananta Wiyogo - President, SMF Indonesia, Otgochuluu Chuluuntseren - Board member, Mongolia Mortgage Corporation (MIK)

SECOND ROW (FROM LEFT): Romeo Roldan - National Home Mortgage Finance Corporation (NHMFC) Philippines; Kumud Ghimire - World Bank; Eva Berriman - World Bank; Johnstone Oltetia - CEO Kenya Mortgage Refinance Company (KMRC); Rosnah Samsudin - Cagamas; Carla Straresina - Canada Mortgage and Housing Corporation (CMHC); Rupan Narayanasamy - World Bank invitee; Trisnadi Yulrisman - SMF Indonesia; Livia Alicia Ramos - NHMFC, Philippines; Lourdes Bacani - NHMFC, Philippines; Munkh-Orgil - MIK, Mongolia; Leong See Meng - Cagamas; Shahrul Farelli - Cagamas

BACK ROW (FROM LEFT): Sekaran Kumar - Cagamas; Harya Narendra - SMF Indonesia; Jae Hoon Hwong- KHFC, Korea; Primasari Setyaningrum - SMF Indonesia; Delvin Chong - Cagamas; Oscar P. Mgaya - CEO, Tanzania Mortgage Refinance Company (TMRC); Seung Sub Kim - KHFC, Korea; Jaehyeon Kim - KHFC, Korea; Peeyus Taechatakrantham - SMC, Thailand; Azizi Ali - Cagamas

PROPOSED AGENDA FOR 2021–2022

Due to the COVID-19 pandemic, ISMMA will continue with virtual meetings throughout the coming year culminating with its first in person meeting in 3 years at the upcoming World Bank Global Housing Finance Conference to be held in May 2022. The tentative meeting schedule is as follows:

ISMMA MEETINGS

SEPTEMBER 2021: Virtual ISMMA Meeting on Microsoft Teams
DECEMBER 2021: Virtual ISMMA Meeting on Microsoft Teams
MARCH 2022: Virtual ISMMA Meeting on Microsoft Teams
WEEK OF MAY 30 2022: In Person ISMMA Meeting at the World Bank's Global Housing Finance Conference in Washington, DC

The ISMMA secretariat will continue to communicate with members concerning topics of interest for the meetings as well as continue development of the association's website. ISMMA members will be asked to assist in populating the detailed corporate folders with annual reports and financials; case studies and research reports; prospectus and ratings reports; press releases and other relevant company documents.

During the coming year, the ISMMA secretariat will also beginning building a knowledge sharing databank of subject matter folders on green mortgages and building, legal and regulatory frameworks, best practices in mortgage origination, bond issuances and other topics of interest to the members.

The World Bank Housing Finance team will also publish a paper entitled Developing Mortgage Markets in Emerging Economies: The Use of Mortgage Refinance Companies.

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To join ISMMA, please click on the join button on the right hand side of the website home page.