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CATEGORY 5

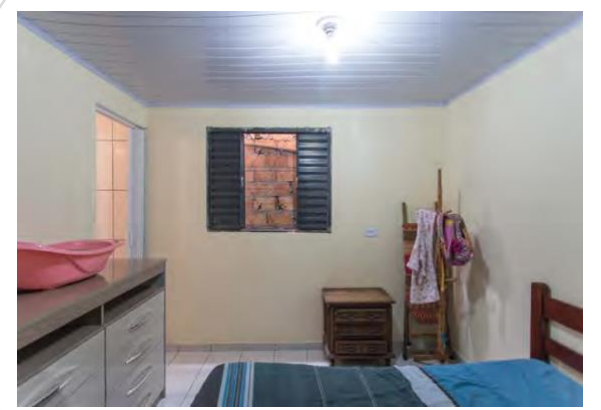
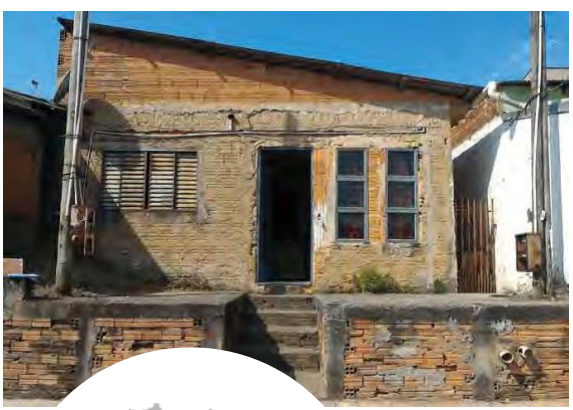
INNOVATIVE MECHANISMS FOR FINANCING AND ACCESS TO HOUSING SOLUTIONS

IMPACT FINANCIAL OBLIGATION FOR HOME IMPROVEMENTS

ORGANIZATION
VIVENDA PROGRAM



BRAZIL



SCOPE: STATE, CITIES IN THE STATE OF SAN PABLO WITH NATIONAL POTENTIAL

CONTEXT

PROBLEM

BRAZIL HAS NEARLY 12 MILLION INADEQUATE HOMES AND FEW INITIATIVES IN THE PUBLIC, PRIVATE AND SOCIAL SECTORS AIMED AT ADDRESSING THIS PROBLEM. NO INTEREST FROM THE MARKET IN THIS VULNERABLE POPULATION, AND THE LACK OF COLLATERAL GUARANTEES THEY CAN OFFER, ARE TWO IMPEDIMENTS TO FINANCING HOUSING IMPROVEMENTS FOR THIS TARGET GROUP.

PROJECT

PROMOTE THE SUPPLY OF A COMPLETE PACKAGE OF HOUSING IMPROVEMENTS AT AFFORDABLE PRICES: TECHNICAL ASSISTANCE, LABOR FORCE AND MATERIALS VIA LOW-INCOME FINANCING THROUGH THE DEBT INSTRUMENT (FINANCIAL OBLIGATION).

RESULTS

REACHED

- » FIRST SOCIAL IMPACT FINANCIAL OBLIGATION DEVELOPED IN THE COUNTRY.

EXPECTED

- » FINANCE HOUSING IMPROVEMENTS TO 8,000 LOW-INCOME FAMILIES WITH LOWER INTERESTS RATE THAN THE MARKET RATE;
- » FINANCIAL YIELD TO INVESTORS OF 7% FINANCIAL OBLIGATION, EARNINGS ABOVE THIS VALUE WILL FINANCE RENOVATIONS TO THE POPULATION UNABLE TO PAY FOR IMPROVEMENTS;
- » BE A FINANCING AND MIXED INVESTMENT MODEL ("BLENDED FINANCE") IN THE HOUSING SECTOR NATIONWIDE;
- » CONTRIBUTE TO THE FORMATION OF A CREDIT LITERATURE FOR THAT MARKET, CREATING A PRECEDENT FOR THIS INVESTMENT;
- » RE-APPLY THIS DEBT MECHANISM IN OTHER CITIES OF THE COUNTRY AND THE REGION.

