



AUHF Professional Development Programme Series

Lending to borrowers with informal incomes...

19 – 21 June 2018

Holiday Inn, Harare, Zimbabwe



The African Union for Housing Finance (AUHF) in partnership with the Centre for Affordable Housing Finance (CAHF) and co-hosted by Central Africa Building Society (CABS) and the Zimbabwe Association for Housing Finance (ZAHF). This session will be facilitated by HDFC India, Nigeria Mortgage Refinance Company (NMRC), Housing and Development Finance Consultants (HDFC) in Africa over 2 ½ days under the theme: “Lending to borrowers with informal incomes”. This event is co-hosted with one of AUHF’s local members, CABS (a member of the Old Mutual Group) and the Zimbabwe Association for Housing Finance (ZAHF). This workshop will have a practical focus, targeted at improving operations and capacities within financial institutions.

As part of its overall strategy, the African Union of Housing Finance (AUHF) is committed to deliver a participatory professional development programme for its members and other interested institutions in the sector. The programmes are intended to enable participants to respond to the challenges and opportunities within the context of their local economies, while supporting better engagement between the public and private sectors. The targeted audience is personnel in operations of housing finance institutions, commercial banks, and implementation/development departments in the construction sector, as well as housing and housing finance practitioners in the public sector, including government officials in land, housing, and finance departments.

Broadly, the programme seeks to achieve the following:

- To promote professional development among AUHF members and the wider housing sector, providing a forum for participants to grapple with the key issues they face in their professional lives, giving AUHF members access to key experts in their field.
- To offer practical and well-targeted training in key operational issues as prioritised by members.
- To promote and share best practice in the affordable housing industry across Africa.
- To provide members with opportunities to network with one another, share information and build capacity towards improved housing finance systems in Africa.

Course objectives

- Acquire specific skills and knowledge on MSE loans
- Learn the Microfinance principles that would be applied to HMF lending
- How to select/identify potential clients
- Understand how to appraise a loan for business loan and HMF loan and is there any difference in both

Lending to borrowers with informal incomes

The main objective of this 2 ½ days’ workshop is to provide the participants with concepts, principles and tools for underwriting households with informal incomes, so they can partake in the housing finance market. The participants will be exposed to case studies and best practices of methodologies used to underwrite and lend to households earning informal incomes in some African countries and India. On the 3rd day the participants will attend a site visit to an affordable housing project financed by CABS in Harare, Zimbabwe.

The workshop attendance fee is US \$300 per person:

- **AUHF members can attend for free** (limited to 2 complimentary seats per institution and maximum of 4 people per institution – extra 2 will be invoiced and charged the full amount);
- **Members with outstanding fees and non-AUHF members will be charged the full amount;**

Space is limited to 30 participants. Last day for registration is 13 June 2018.

If you are interested, kindly contact the AUHF Coordinator: auhf@housingfinanceafrica.org

PROPOSED AGENDA

DAY 1 (19 June 2018):	
08:30 – 9:00	Registrations
09:00 – 09:30	Opening remarks and welcome Executive Secretary Zimbabwe Association for Housing Finance
09:30 – 10:30	Introductions, Expectations, Course objectives and “Icebreaker”
10h30 – 11h30	Session 1: Microfinance Overview <ul style="list-style-type: none"> • Principles of Microfinance lending to the informal sector • Difference between Microfinance and SME lending and its relation to Housing Microfinance • Profile for target group for Microfinance lending • Microfinance lending Opportunities and challenges
11h30 – 11h45	Morning Tea
11:45 – 12:30	Session 2: Lending process in Microfinance and Housing Microfinance <ul style="list-style-type: none"> • Understanding how the Microfinance loan is delivered to the target client with informal income • Understanding Housing Microfinance lending process leveraging on Microfinance lending process and principles
12h30 – 13h30	Session 3: What Financial Institutions need to know to deliver HMF loans <ul style="list-style-type: none"> • How to conduct loan assessment for clients with informal Incomes • How to conduct Character assessment • How to conduct Financial analysis for HMF clients

	<ul style="list-style-type: none"> • Identify the specific characteristics of financial information of microentrepreneurs • Gather financial information on the applicant • Collateral assessment • Define the credit methodology principles in client evaluation and loan decision-making. • Identify where the stages of Loan Evaluation and Loan Approval are in relation to the entire Credit Process. • Explain how “Willingness to Pay” and “Capacity to Pay” are established. • Identify the major steps in the evaluation process and approval process • Explain the objectives of each of these steps. • Identify which steps involve the evaluation of “willingness to pay” and “capacity to pay” • Fieldwork lessons learnt in undertaking loan assessment
13:30 – 14:30	Networking Lunch
14h30 – 15h30	Session 4: Setting the context for Affordable Housing and Housing Finance <ul style="list-style-type: none"> • Overview of Housing Finance Systems – exploring a suitable product for informal income: <ul style="list-style-type: none"> ○ Mortgages ○ Micro-mortgage ○ Housing Microfinance ○ Hybrid housing Finance product (does it exist?)
15h30 – 16h30	Session 5: Lessons from India <ul style="list-style-type: none"> • Understanding the HDFC India Housing Model
16h30 – 17h30	Group Picture Networking Session (Tea and Coffee)
DAY 2 (20 June 2018):	
09:00 – 09h30	Recap on Day 1
09h30 – 10h45	Session 6: Case study from India <ul style="list-style-type: none"> • Underwriting and servicing of housing finance portfolios • Managing credit risk and operational cost
10h45 – 11h00	Morning Tea
11h00 – 12h00	Session 7: Case study from India (Contd.) <ul style="list-style-type: none"> • Product Development, Marketing and Distribution Channels • Legal and Technical Appraisal • Developer/Builder Relationships and Products
12:00 – 13:30	Session 8: Lessons from Nigeria <ul style="list-style-type: none"> • Nigeria Refinance Mortgage Company (NMRC) experience: Uniform Underwriting Standards for the Informal Sector
13:30 – 14:30	Lunch
14:30 - 15:30	Session 9: Lessons from Nigeria (contd) <ul style="list-style-type: none"> • Case Study of Housing Finance Programme in Nigeria

	<ul style="list-style-type: none"> • Nigeria Housing Market EcoSystem • Housing Market Information Portal • Mortgage Market System
15:30 – 16:00	Session 10: Introduction to Site Visit <ul style="list-style-type: none"> • Affordable Housing Project financed by CABS
16h00 – 17h00	Program closure and feedback <ul style="list-style-type: none"> • Final thoughts • Complete Evaluation Forms • Certificate ceremony
17:00 – 17:30	Networking Session (Tea and Coffee)
DAY 3 (21 June 2018):	
09:00	Depart from Holiday Inn Harare
10:00 – 12:00	Site visit to affordable housing projects financed by CABS

FACILITATORS:

Mr Stephen Wanjala | Executive Director | **HDFC - Housing and Development Finance Consultants (Africa) Ltd**

Mr Taofeeq Olatinwo | Executive | **Nigeria Refinance Mortgage Company (NMRC)**

Mr Hemant Panicker | Deputy General Manager - Retail Lending at HDFC Ltd | **HDFC India**



CABS
A Member of the **OLDMUTUAL** Group



REGISTRATION FORM:

AUHF Member:

Yes		No	
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Name:

Institution:

Job Title:

Country:

Company Address:

Telephone:

Mobile Number:

Email address:

Training Expectations:

Dietary requirements:

Signature: _____

Date: _____

Please complete and sign this form and send it back to auhf@housingfinanceafrica.org to receive an invoice for payment. Kindly note the workshop participation fee is US \$300.00 for non-AUHF Members and members with outstanding fees, but free participation to fully paid up AUHF members (seats are limited to 2 people per institution).

WHO WE ARE:



THE AFRICAN UNION FOR HOUSING FINANCE (AUHF) is a member-based association of 61 mortgage banks, building societies, housing corporations and other organisations involved in the mobilisation of funds for shelter and housing on the African continent.

Vision: An enabled and productive housing finance sector across Africa where governments and the private sector work together to develop and maintain efficient and effective housing markets and access to adequate and affordable housing for all.

Mission: To support its members in realising their vision, through networking and deal facilitation, information collection and dissemination, lobbying and advocacy, and capacity building and training.



THE CENTRE FOR AFFORDABLE HOUSING FINANCE (CAHF) is a not-for-profit company with a vision for an enabled affordable housing finance system in countries throughout Africa, where governments, business, and advocates work together to provide a wide range of housing options accessible to all.

CAHF's mission is to make Africa's housing finance markets work, with special attention on access to housing finance for the poor. The overall goal of our work is to see an increase of investment in affordable housing and housing finance throughout Africa: more players and better products, with a specific focus on the poor.

CAHF is the Secretariat to the African Union for Housing Finance.



**ZIMBABWE ASSOCIATION FOR
HOUSING FINANCE**

The **Zimbabwe Association for Housing Finance (ZAHF)** is a non-profit-making organization whose principal objective is to represent and advance the interests of housing financiers in Zimbabwe and to promote co-operation between them.

Formerly known as the Association of Building Societies of Zimbabwe, whose membership was restricted to four building societies that were the only providers of housing mortgage finance in Zimbabwe, the Association renamed itself the Zimbabwe Association for Housing Finance in 2014 to reflect its broadened membership following recent changes in legislation which opened the housing finance arena to other financial institutions. The Association currently has ten members that include building societies and commercial banks. In furtherance of its principal objective, the Association facilitates dialogue with Government Ministries and other regulatory bodies, provides a forum for discussion and, where necessary, policy formulation. The Association also provides advice, information and other services to its members.

CABS

A Member of the  **OLDMUTUAL** Group

Central Africa Building Society (CABS) is a leading and solid banking organisation, with nearly 60 years in business. It is Zimbabwe's largest building society and offers a diverse range of financial services and products.

The Society's products and services include mortgage finance, transaction and savings accounts, mobile banking, money market investments, term deposits and pay-roll

based loans. These are delivered through the second-largest branch network in the country which is linked to CABS's on-line real time banking system. CABS aim is to be a world class provider of secure, innovative and profitable financial services delivered by motivated staff for delighted clients.



The Nigeria Mortgage Refinance Company is a private sector driven company with the public purpose of developing the primary and secondary mortgage markets by raising long-term funds from the domestic capital market as well as foreign markets and thereby provide accessible and affordable housing in Nigeria. NMRC was incorporated on 24th of June 2013 as Nigeria Mortgage Refinance Company Plc. It obtained an Approval-in-Principle from the CBN on 20th June 2013.

Vision: NMRC's vision is to be the dominant housing partner in Nigeria

Mission: Its mission is to remove barriers to home ownership, provide liquidity, affordability, accessibility and stability to the housing market in Nigeria.



Housing & Development Finance Consultants (HDFC) Africa Limited is a consortium made of Housing and Development Finance experts launched in 2017. The consortium is made of a team of 12 professional Development Finance and Market Systems Development practitioners with over 20 years' experience working in more than 20 different countries across Africa, including: Kenya, Uganda, Tanzania, Lebanon, Ghana, Ethiopia, Malawi, Rwanda, South Sudan, Angola, Senegal, Nigeria, Liberia, Namibia, Botswana, Somalia, South Africa, Zambia, Zimbabwe and the Democratic Republic of Congo.

The consortium is committed to providing solutions to institutions involved in Microfinance, Development Finance Institutions, Commercial Banks, Small and Medium Enterprise (SME) and Savings and Credit Cooperative Societies (SACCOs) by developing appropriate tools and innovative ideas or products and services based on the client's needs and capacities; all geared to enabling the organizations to become more sustainable, innovative, more efficient and effective in their role in the Housing Value Chain. For more than 23 years, HDFCs' founder and associates have provided Market-driven support to its partners.



Housing Development Finance Corporation Limited or HDFC is an Indian financial corporation based in Mumbai, India. It is a major provider of finance for housing in India. It also has a presence in banking, life and general insurance, asset management, venture capital and education loans. It was founded in 1977 as the first specialized mortgage company in India.

HDFC provides housing finance to individuals and corporates for purchase/construction of residential houses. It is one of the leading and largest providers of housing loans in India and their customized solutions have enabled them to fulfill over 6.2 million dreams since inception.

Primary Objective: To enhance the residential housing stock in the country through the provision of Housing Finance in a systematic and professional manner, and to promote home ownership.

Aim: Increase the flow of resources to the housing sector by integrating the housing finance sector with the overall domestic financial markets.
