

Housing Microfinance (HMF)

IFC approach



November 7, 2024

Housing Microfinance – Should not be “in name only”

Clients expect to get from HMF some extra value that they can't get from other types of the loans.

Typically, this value is provided via Construction Technical Assistance

Software based Construction Technical Assistance

← Create or open project

Stop recording

Template projects

Search by full name

Reload template projects

Roof type

- All
- Gable
- Hip
- Roof with vent
- Mixed

House shape

- Rectangular
- L-shape
- T-shape
- U-shape

Outer Wall

- Burnt brick
- Sand block/ cement block

Number of verandas

Any

Number of Bedrooms

T-shape\Gable\Block\Veranda
2024-07-20 05:41:35

T-shape\Hip\Block\Veranda 2024-07-20
05:47:14

T-shape\Hip\Brick\Veranda 2024-07-20
05:47:51

T-shape\Gable\Brick\Veranda
2024-07-20 05:49:05

T-shape\Roof with vent\Block\Veranda
2024-07-20 05:52:29

T-shape\Roof with vent\Brick\Veranda
2024-07-20 05:53:07

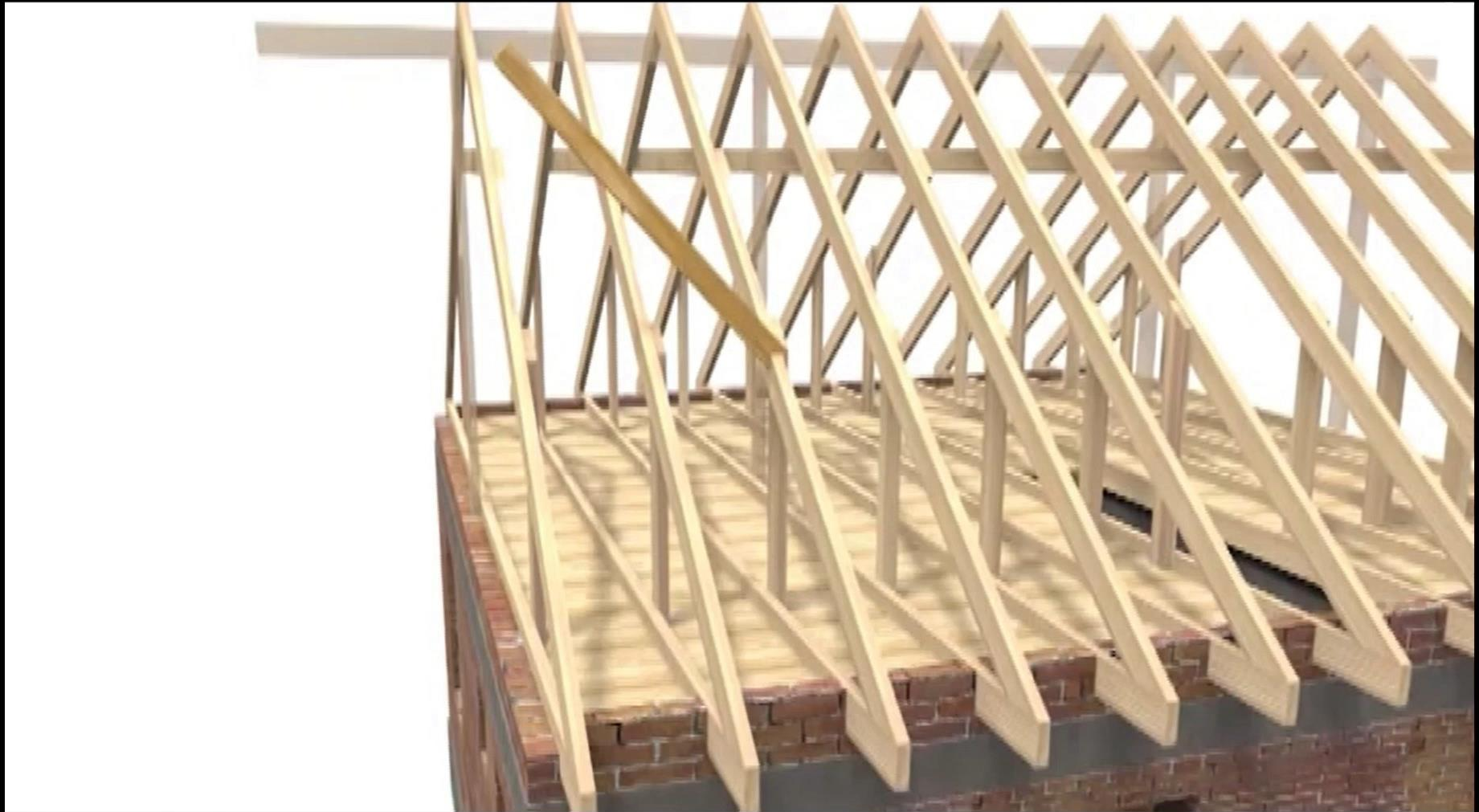
Prototype 3 2024-07-20 07:10:44

Rect bricks 2 rooms gable 2024-07-21
2024-07-21 09:06:04

brick T-shape Dutch Jul 22 2024-07-22
07:04:01

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Video based Construction Technical Assistance



Islamic Housing Microfinance model

UNDER THE ISLAMIC VERSION OF HMF:

- LOAN IS PROVIDED WITH 0% INTEREST RATE
- CTA IS PROVIDED ON A FEE BASIS (PAYED IN INSTALLMENTS).

Borrowers – Make practically the same monthly loan repayments as under conventional HMF.

FIs – Receive the same revenue from each loan as under conventional HMF.

Islamic HMF loan vs Conventional HMF loan	Loan size	Term	Interest	Monthly repayment (annuity interest + debt)	Monthly Payment for CTA	Total monthly payment	FI's interest revenue	FI's revenue from CTA sale	Total FI's revenue
Conventional HMF loan	\$1000	24 months	25%	\$53.4	0	\$53.4	\$281	0	\$281
Islamic HMF loan	\$1000	24 months	0%	\$41.7	\$11.7	\$53.4	\$0	\$281	\$281