



## SUCCESS STORY:

### SOCOLAVIM: Exceeding Expectations to Expand Housing Finance



The entire sales force from SOCOLAVIM strengthened their capacity in housing microfinance delivery during June 2016 training and received certification from Habitat for Humanity.



SOCOLAVIM's loan officers learned from experienced engineers about the progressive improvement process—specifically, about prioritizing housing improvement needs, product benefits, how to use technical guides to promote products and how to review a budget.

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During March 2016, World Council of Credit Unions' Haiti Home Ownership Program (HOME) signed its first agreement with SOCOLAVIM<sup>1</sup> credit union, located in St. Marc, Haiti. This was the first partnership that leveraged a "Pay for Performance" (P4P) award system, accompanied by institutional technical assistance, to incentivize financial institutions to serve low-to-moderate income clients, whom would otherwise be unable to access housing finance products.

SOCOLAVIM exceeded original targets by more than 20 percent. The original goal was to disperse 185 loans. As of December 31, 2016, 224 home improvement loans were provided. The total amount disbursed during this period was HTG 116.5 million (USD 1.8 million approximately), of which 25% percent were delivered to female members. The average housing loan size was USD 7.4 thousand. This partnership increased the housing portfolio from HTG 70.3 million (USD 1.049 million) to HTG 134.9 million (USD 2.013 million) representing a 92 percent growth rate, with a healthy housing portfolio at risk (PAR) over 30 days of only 5 percent. With these positive results, SOCOLAVIM has received a total P4P incentive of USD 60,000.

As of December, 85% of SOCOLAVIM's members with housing loans were concentrated in monthly income brackets of HTG 10,000 (USD 150) to HTG 100,000 (USD 1,500). The current housing portfolio shows that housing loans up to HTG 500,000 (USD 7,500) represent 83% of the portfolio. Access improved because products are aligned to member needs and capacities through an efficient credit process and technical assistance that guides low to medium-income households in decision-making. These are clear differentiators compared to the traditional housing finance market in Haiti.

Mr. Prophète Fils-Aimé, SOCOLAVIM Managing Director, highlighted, "The combination of an incentive program, along with technical assistance and our continuous efforts to improve, were the success factor[s] towards obtaining these results."

Technical assistance provided by Habitat for Humanity helped redesign the financial product (larger loan amounts and terms) and increase the housing specialist sales force, who are now able to cover all branches of SOCOLAVIM. Workshops and practice in the field strengthened the capacity of the sales force. Lending targets were created as part of the incentive program, combined with a solid and consistent marketing strategy. These initiatives, undertaken over 10 months, enabled SOCOLAVIM to surpass expectations.

SOCOLAVIM hopes to continue to work with HOME to overcome challenges in maintaining its housing improvement program and to design products to offer greater housing solutions to members. The cooperative seeks to improve access to housing credit for women, organized groups, and associations and seeks new technology to increase efficiencies.

<sup>1</sup> SOCOLAVIM, founded in 1993, is a savings and credit cooperative (credit union) offering services to members and the general population. It started with one office in the town of Saint-Marc. Today, SOCOLAVIM has extended services to the Community of Artibonite, with branches in St Marc, Montrouis, Pont-Sonde, L'Estere, Dessalines, Chemin Neuf and Gonaives. With 68,877 members, SOCOLAVIM is the second largest Central Bank-regulated credit union in Haiti. At the end of 2016, it operated a loan portfolio of HTG 332 million (USD 4.9 Million) with a total portfolio at risk (PAR) over 30 days representing six percent.