



A loan from SOCOLAVIM credit union will enable Joselane Kenole Moute to build a home instead of continuing to pay rent. “I had never requested a loan for construction because I was sure that someone like me could never get one. Financing a house, borrowing to build is something I thought was reserved for rich people.”



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**World Council
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Haiti HOME Program Background

The Haiti Home Ownership and Mortgage Expansion Program (HOME) is an innovative pilot program that applies targeted financial incentives, technical assistance and awareness-building to mobilize the development of and purchase of affordable housing in Haiti.

The USAID program, operating from 2015 to 2018, targets low, moderate and middle income households primarily in the St.-Marc Corridor, Cap-Haitien and the Port-au-Prince Corridors in Haiti.

Over the life of the program, HOME will help 1,750 households to build or improve their homes through targeted housing finance and technical assistance and will provide 7,875 Haitians with new or improved homes.

Haiti's Local Context

The HOME Program comes at a critical juncture in Haiti's history. It has been seven years since the 7.0 earthquake struck Haiti in 2010, killing more than 230,000 people, displacing nearly 1.5 million people, and destroying over 180,000 homes. The earthquake has left deep scars on the country and caused significant long term damage to its infrastructure.

Today there is a deficit of housing, especially affordable homes for low-to middle income households. Safe, clean, and affordable housing is a necessity and a basic human right.

World Council of Credit Unions (WOCCU), with its implementing partners, Habitat for Humanity International (HFHI) and the Affordable Housing Institute (AHI), seek to address this challenge, by creating a replicable and sustainable models to spur the creation of homes that are accessible to Haitians in lower income brackets.

Our Approach

The most important component of the HOME Program is the program model itself. HOME uses a market-based approach by facilitating and incentivizing existing actors on both the demand and supply side of the housing value chain—primarily through a “pay for performance model” (P4P)—to create affordable housing options.

Instead of imposing solutions on the Haitian housing market, or employing a traditional model which funds construction, the HOME Program provides financial rewards for specific results to financial institutions and developers through its HOME Facility grant fund.

The incentive award empowers sub-awardees to think creatively about measures to mitigate risks, address organizational efficiencies and improve human resources—all in an effort to create affordable housing options in Haiti. Thus by focusing on achieving specific objectives and changing behavior, payment for spending on *inputs* is switched to payment for *results*.

HOME Program Interventions

Leveraging private sector resources to achieve commercially driven outcomes. HOME offers its partner financial institutions incentives through the HOME Facility fund to enable innovative uses of capital to address gaps, disruptions, weaknesses or inefficiencies in Haiti's delivery of affordable homes or affordable housing financing. As of June 2017, USD 240,000 in performance incentives were awarded to partner financial institutions after they had disbursed USD 4.6 million in loans.

Developing formal, long-term secured financial products for low income households: HOME is working with Haiti's largest credit union to launch a 10 year, 12% fixed interest rate mortgage product. This is the first mortgage product offered by a non-bank financial institution in Haiti and targeted toward low-income households. These households have traditionally been limited to short-term, unsecured housing microfinance loans at interest rates of 24% or more.

Facilitating market segmentation and research: HOME works with independent market research firms to support housing developers to better understand the commercial feasibility of a given housing project.

Institutionalizing capacity-building to improve service delivery: HOME provides training to its financial institution partners to improve product marketing and to streamline internal procedures such as credit underwriting and housing construction monitoring and supervision in order to cope to with housing portfolio growth and market expansion.

Testing short-term credit enhancements to boost demand. Enhancements at the *client level* can come in the form of down-payment assistance for mortgages and rewards for good payment on loans, as well as incentives at the *institutional level* for adequate loan sizes and outreach to women-led households.

Reducing risks for developers to go down-market: HOME provides incentives to developers to find ways to reduce building costs and profit margins in order to make homes more affordable to lower income clients.

Training and incentivizing developers to introduce environmental sustainability in construction practices: Recently HOME teamed up with the International Finance Corporation (IFC) and US Green Business Council to help housing developers become EDGE certified, an international green building standards system used in 125 countries for new residential and commercial buildings.

To date, HOME partners, including two of the largest credit unions in Haiti, the second largest MFI, and prominent developers, have committed USD 21.5 million in private funds in exchange for USD 2.66 million in grant funds.

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