



OPIC Highlights

OPIC Supports Housing and Mortgage Finance

Historically, OPIC has provided more than \$1.6 billion in finance and insurance to support housing and mortgage finance projects in countries around the world. OPIC's current investments portfolio provides more than \$800 million to projects that introduce more efficient building systems and large-scale housing and community development processes into markets where the shortage of housing is critical.

OPIC Board Approved \$350 Million For Lending Facility Targeting Housing Construction

OPIC's Board of Directors approved \$350 million in financing for a lending framework that will enable National City Bank to expand its lending in emerging markets, with a focus on housing construction loans in signatory countries of the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR).

Of the \$350 million in OPIC financing, \$100 million will be used for housing construction loans for low- and middle-income housing, with a special emphasis on CAFTA eligible countries. As well, at least 60 percent of the framework's loans will be required to support small and medium-sized enterprises (SMEs) or residential mortgages. In addition to Latin America, National City will focus on member banks in Central and Eastern Europe.

As with the previous OPIC-National City frameworks, OPIC will share risk with National City

in loans underwritten by the bank either directly or through its member banks to qualified customers, SMEs, middle market businesses and homeowners in OPIC-eligible countries.



"This new framework with National City will enable OPIC to mobilize capital to finance the expansion of existing businesses and the creation of new ones, which will, in turn, generate thousands of jobs in emerging markets," said OPIC President and CEO Robert Mosbacher, Jr. "Its emphasis on housing construction in CAFTA countries, in particular, will result in the provision of much-needed credit for a sector vital to the region's economic growth."

U.S. Small Business Supports First Public Securitization of Mortgage Certificates in Russia

A U.S. small business has used an OPIC-supported loan to support the first public securitization of mortgage certificates in Russia, opening a lucrative new avenue of funding for Russian mortgage lenders and the prospect of more affordable terms of homeownership for Russian homeowners. Connecticut-based Greenwich Financial Services LLC used a \$6 million OPIC loan to purchase the mezzanine piece of a securitization, which facilitated the completion of a \$72.6 million mortgage-backed securitization of residential mortgages originated primarily in Moscow and St. Petersburg by a private Russian Bank, CityMortgage Bank.

This project was named *2006 Deal of the Year* by the International Securitization Report in January 2007. "By providing a Russian bank access to capital markets for a mortgage-backed securitization, this groundbreaking transaction opens the Russian mortgage market to dynamic sources of funding, the ultimate benefit of which will be more affordable homeownership terms for Russian homeowners," said OPIC President and CEO Robert Mosbacher, Jr.

OPIC Guarantees Loan for Mortgage Lending Facility in Republic of Georgia

OPIC's loan guarantee is supporting a \$10 million loan facility by U.S. small business lender WorldBusiness Capital, Inc. (WBC) that will enable the Bank of Georgia (GSE:GEB) to provide residential mortgage lending, both improving and diversifying the country's financial infrastructure by infusing local mortgage markets with additional capital. Bank of Georgia is partially owned by Firebird Management, a New York-based investment fund.

WBC is a commercial finance company specializing in loans to small and medium-sized enterprises (SMEs) operating in emerging markets. OPIC in 2003 entered into a cooperative agreement with WBC to expand support for SMEs investing overseas and enhance the activities of OPIC's Small Business Center.

Improved access to mortgage financing is an integral step in the development of every emerging market's capital infrastructure. OPIC's partnership with WorldBusiness Capital is helping the Bank of Georgia to expand its mortgage lending, thereby serving a rapidly-growing market in Georgia and potentially stimulating additional economic growth in the country.

OPIC Board Approves \$100 Million for Housing Fund in Latin America

OPIC's board of directors approved \$100 million in financing for a private equity investment fund that will support the growth of affordable housing in Latin America, both through home construction and the expansion of local capital markets.

The Alsis Latin America Fund will invest at least half of its capital in affordable housing projects, with an initial focus on Mexico and Central America. The fund will stimulate new housing by investing in residential mortgages in the region, and expand local capital markets by securitizing mortgage pools targeted at both domestic and international investors. The fund has a targeted capitalization of \$300 million.

OPIC selected as fund manager Alsis Funds, a Delaware-based limited liability company, following a July 2006 call for proposals.

OPIC Loan Supports Growth of Mortgage Industry in Ghana

Enabling the West African nation of Ghana to address a shortage of both affordable housing and mortgage finance, John Simon, Executive Vice President of the Overseas Private Investment Corporation (OPIC), signed an agreement establishing a full-service financial institution in Ghana that will originate up to 600 mortgage loans through an operating structure similar to that of a mortgage bank in the United States.



OPIC Executive Vice President John Simon, second from right, and GHIL Chief Executive Officer Dominic Adu, center, sign a \$30 million OPIC loan agreement in Accra.

OPIC is providing a \$30 million loan to GHIL Fund 1 Limited, a credit facility and wholly-owned subsidiary of Ghana Home Loans Ltd. (GHL), which in turn is owned in part by Broad Cove Partners Inc., a Massachusetts-based investment

partnership. Through the facility, GHL will originate US-styled residential mortgages for up to 600 single-family residences, largely in the greater Accra region. Ghanaians will be able to obtain 15-year GHL mortgages with a 25 percent down payment.

Other project sponsors include Standard Bank of South Africa and FMO, a developmental finance agency based in the Netherlands.

Simon noted that a lack of mortgage finance institutions in Ghana has made it difficult for middle class families to own homes; in a country of 18 million people, it is estimated that only 5,000 hold mortgages.

"Access to mortgage financing is a primary obstacle to the establishment of a modern housing industry in Ghana - and this project will help the country address that need," Simon said. "Increasing Ghana's mortgage stock significantly will both provide affordable housing and support the growth of its financial infrastructure."

OPIC Insurance Helps to Launch Housing Program in Tanzania

A U.S. small business is using political risk insurance from OPIC to assist in the construction of 5,000 homes in major cities throughout Tanzania, serving as a model for companies considering investment in a country where 60 to 70 percent of urban residents live in unplanned areas lacking basic services.

OPIC is providing \$12.4 million in insurance to Enterprise Homes, LLC for the construction of residential housing developments near major cities in Tanzania, amounting to about 5,000 homes over a period of five to seven years. Each residential neighborhood will consist of a cluster of single-family homes located on a land plot situated within 20 miles of the central business district. The development of each land plot will include the installation of required infrastructure, including roads and utilities. Enterprise Homes also plans to incorporate solar electric systems into the houses that it builds. This will allow homebuyers to have an affordable alternative source of power, a valuable resource in light of the current power rationing and frequent blackouts in the country.

U.S. Small Business Uses OPIC Loan to Franchise Real Estate Brand in Russia

Olard Trading Limited, a U.S. small business, is using an OPIC-supported loan to franchise the real estate brand Century 21 in Russia, helping to introduce standardized homeownership practices to a country with a lucrative, yet largely unregulated, real estate market.

"Russia's real estate market is becoming an increasingly attractive destination for American investment, as the economy continues its solid growth and levels of disposable income rise. The establishment of Century 21 offices throughout the country will introduce standardized real estate practices to a largely unregulated industry, improving its efficiency and enabling it to serve as an engine of even greater economic growth," OPIC President and CEO Robert Mosbacher, Jr. said. "OPIC is pleased to support a U.S. small business in a project with so many developmental benefits."

If successful in Russia, franchising of the Century 21 brand will be extended to other countries of the Newly Independent States.



OPIC-Supported Loans facilitate Mortgage Lending in Central America

OPIC has approved a \$15 million loan to Banco Lafise S.A. of Honduras and a \$10 million loan to Bancentro S.A. of Nicaragua for the financing of mortgage loans for low- and middle-income households in these countries. In both countries, these banks will originate mortgage loans to low and middle income borrowers, then will use the proceeds of the OPIC credit facilities (\$15 million for Honduras and \$10 million for Nicaragua) to refinance some of these mortgage loans using long-term funding. In Honduras, the bank will originate mortgage loans valued between \$9,000 and \$27,000, while in Nicaragua, the value of homes will be priced from \$10,000 to \$30,000.

OPIC Insurance Helps Upgrade Land Registry in Antigua and Barbuda

OPIC is providing \$669,000 in political risk insurance to Stewart Information International, a wholly-owned subsidiary of Stewart Information Services Corp.(NYSE-STC), which is enabling them to introduce a state-of-the-art land registry system to Antigua and Barbuda, setting the stage for increased investment in real estate-related sectors such as tourism in the country, and potentially throughout the eastern Caribbean.

The insurance is being used to partially cover the installation cost of the Stewart Landfolio® system for land registry, land cadastre and property taxation, according to a three-year licensing agreement with the government of Antigua and Barbuda. Working through the country's Land and Survey Office, the system provides day-to-day processing of records and documents, and improves the entering of information and instructions, as well as the ability to locate and access documents.

Once implemented, the Landfolio system will provide Antigua and Barbuda with the registration and title infrastructure necessary for development of a transparent and sophisticated real estate market, as well as raise revenue for the government in the form of property registration fees and more effective property taxation.

The project is the pilot program for an initiative, called the Eastern Caribbean Project (ECP), that would deploy the Landfolio system to other member countries of the Organization of Eastern Caribbean States. The result of a partnership between Stewart and the Inter-American Agency for Cooperation and Development, a division of the Organization of American States, the ECP aims to create a standardized land registry system throughout the region to encourage the introduction of investment capital.

OPIC Guaranty Will Help Provide Shelter to Half Million in South Africa

OPIC is providing a \$15 million guaranty to help build 90,000 homes for low-income families in South Africa. The homes will provide shelter for up to half a million people.

The project is expected to not only help South Africa address a 2.2 million-unit shortage of low-income housing, but will also stimulate the local construction sector through expanded job opportunities and serve as an example for local commercial lenders for future support of low-income housing.

OPIC's guaranty will enable a U.S. for-profit company to support a local South African bank, which, in conjunction with an affiliate of South Africa's National Urban Reconstruction and Housing Agency (NURCHA) will continue to on-lend Rand to private developers and contractors working with NURCHA that have contracts with various local governments to construct low-income houses and associated infrastructure.

In addition to addressing an acute shortage of adequate shelter, this initiative is also expected to stimulate South Africa's construction sector with value-added benefits for builders, contractors and sub-contractors, increasing skills and training in this essential sector of the South African economy.

U.S. Small Business Helps Increase Availability of Low-Cost Homes in Honduras

OPIC is providing a \$9.2 million loan to a Honduran subsidiary of a U.S. company for the lease-purchase financing of 1,400 low-cost homes in the Honduran cities of San Pedro Sula and Villaneuva. The project also features an OPIC small business insurance 'wrap.'

The homes will be occupied by employees of various companies that lease space in an industrial park located in the San Pedro Sula region of Honduras. Currently, the investors are building the homes, financing this construction through equity. The OPIC-supported loan will fund 15-year mortgage-style lease-purchase contracts between employees of the industrial park and the park's owner.



OPIC is a U.S. government agency that helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers. Since 1971, OPIC has supported more than \$177 billion worth of investments that have generated over \$71 billion in U.S. exports and supported more than 271,000 American jobs. For more information please go to www.opic.gov.