

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

<b>Product Up-scaling Support</b>	<b>SCBF 2017-05: Building capacity to strengthen access to housing microfinance in Nicaragua</b>												
<b>Country / Region</b>	Nicaragua												
<b>Partner Financial Institution/s</b>	FUDEMI & FUNDENUSE												
<b>Grantee</b>	Habitat for Humanity International												
<b>Overall Budget</b>	CHF 183'430 (30% self-contribution)												
<b>SCBF Contribution</b>	CHF 128'560 (70% SCBF funding share)												
<b>Date of Approval</b>	18.07.2017												
<b>Duration</b>	08.2017 until 01.2019												
<b>Context</b>	In Nicaragua, the changes made by the government in policies and regulations related to the microfinance sector aim to increasingly facilitate the financial inclusion; however, it is common to find that financial intermediaries themselves implement strategies that increase financial inclusion for their clients. This intervention creates a new distribution channel and connects local contractors/construction companies with financial institutions.												
<b>Current Status of the MFI</b>	<p>FUNDENUSE and FUDEMI improve financial inclusion and have a strong social outreach recognized by the sector, good financial performance, governance, and strong institutional support.</p> <table border="1"> <thead> <tr> <th>FUNDENUSE</th> <th>FUDEMI</th> </tr> </thead> <tbody> <tr> <td><b>56% clients in rural</b></td> <td><b>20% in rural</b></td> </tr> <tr> <td><b>58% are women</b></td> <td><b>64% are women.</b></td> </tr> <tr> <td>Total of 25,590 clients (10,000 in 2012). This represents an estimate of 6% market share (# of clients).</td> <td></td> </tr> <tr> <td>Average loan USD \$ 537 20 branches (13 rural and 7 urban)</td> <td>Average loan USD \$ 540 9 branches (4 rural and 5 urban).</td> </tr> <tr> <td><b>PAR30</b> is 0,94% for all loans and 0,31% for housing microloans.</td> <td><b>PAR30</b> is 5.02% and is expected to be at 3% by the end of the year. For the HMF loans the current PAR30 is 1.51%.</td> </tr> </tbody> </table> <p>With the support from SCBF, this project aims to use technology to make the home improvement process more informed, integrated, and effective for the families. <b>The virtual tool will scale up outreach of housing microfinance (HMF) products of two microfinance institutions (MFIs) and thus improve the access to financial products for local communities, while addressing other gaps that improve access to quality housing. The tool will be a mobile app (smartphone, tablet), but with a web-based access.</b></p>	FUNDENUSE	FUDEMI	<b>56% clients in rural</b>	<b>20% in rural</b>	<b>58% are women</b>	<b>64% are women.</b>	Total of 25,590 clients (10,000 in 2012). This represents an estimate of 6% market share (# of clients).		Average loan USD \$ 537 20 branches (13 rural and 7 urban)	Average loan USD \$ 540 9 branches (4 rural and 5 urban).	<b>PAR30</b> is 0,94% for all loans and 0,31% for housing microloans.	<b>PAR30</b> is 5.02% and is expected to be at 3% by the end of the year. For the HMF loans the current PAR30 is 1.51%.
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<b>Objective and Main Activities</b>	<p>This intervention aims to build capacity in two financial institutions in Nicaragua. Globally the Habitat has trained over 100 financial institutions in HMF product development, and provided technical assistance to more than 45 partner financial institutions and has helped more than 35 institutions develop HMF products. The Habitat has been working closely in the last 3 years with the local staff of Habitat Nicaragua to promote institutional technical assistance (ITA) in the development of HMF products with housing support services (HSS) for FUNDENUSE and FUDEMI. The efforts have supported the FIs to gain knowledge of the HMF sector and engage in partnerships with local construction material providers. This work, however, could be strengthened with the work planned in this proposal.</p> <p>The Habitat has been engaging different IT developers and providers that could participate in this program such as, Wingu (<a href="http://www.winguweb.org/">http://www.winguweb.org/</a>); DWait (<a href="http://www.dwait.com/">www.dwait.com</a>); and IBuild (<a href="http://www.buildersofhope.org/ibuild/">http://www.buildersofhope.org/ibuild/</a>); which the Habitat has started to work with in other countries.</p> <p>Upon project completion, both financial institutions should be in a position to improve the access to financial products for local communities, while addressing other gaps that improve access to quality housing.</p> <p>Main activities: Project preparation &amp; partnerships, development of technological tool and pilot test, implementation of the technological tool, dissemination and scaling.</p>												