

ANNEX B -- INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	El Salvador
Name of Beneficiary:	La Hipotecaria El Salvador Mortgage Trust 2016-1
Project Description:	El Salvador suffers from twin deficits of affordable housing and affordable housing finance. Total systemic mortgage production in the country dropped 12% in 2015 due to macroeconomic and social problems. Liquidity in the market is very limited and there is no internal capacity to invest in mortgage backed securities at this time. La Hipotecaria has maintained its lending programs in the face of these challenges and the OPIC guaranty will bring badly needed foreign investment into the country and the housing sector. The \$45 million in proceeds from La Hipotecaria's mortgage-backed securitization will be used to originate new affordable mortgages for El Salvadorian middle-class borrowers.
Proposed OPIC Guaranty:	\$33.75 million for up to a 30-year term
Total Project Costs:	\$45 million (\$39.6 million in Class A Notes, \$4.5 million in Class B Notes and \$900,000 in Class C Notes)
U.S. Sponsor:	La Hipotecaria El Salvador Mortgage Trust 2016-1, a Delaware statutory trust
Foreign Sponsor:	La Hipotecaria, S.A. de C.V. (El Salvador)
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a net positive five-year U.S. balance of payments impact.
Developmental Effects:	This Project will have a positive developmental impact on the host country through the securitization of mortgages issued in El Salvador. These securitizations will be sold to U.S. investors and in regional markets. According to El Salvador's Vice Ministry of Housing, the country suffers from a housing deficit of 630,000 units, which represents a significant deficit in a country with a population of six million. While this Project will support the securitization of existing mortgages, the sale of these assets will free up capital that will enable La Hipotecaria to issue new mortgages. The resulting expansion is expected to match the composition of La Hipotecaria's current portfolio of affordable housing homebuyers, almost half of whom are women.
Environment:	Mortgage securitizations are screened as Category C projects under OPIC's environmental and social policies and guidelines. Environmental, health, safety and social impacts are minimal. However, in order to insure that La Hipotecaria's loans are

	<p>consistent with OPIC’s statutory and policy requirements, proceeds of the securitization supported by the OPIC Guaranty will be subject to conditions regarding use of proceeds. La Hipotecaria will be required to comply with applicable national laws and regulations related to environmental and social performance, including requirements related to healthy and safe work environment.</p>
<p>Workers Rights:</p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions, OPIC’s Environmental and Social Policy Statement and applicable local labor laws. OPIC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor and non-discrimination. Standard and supplemental contract language will be applied to all workers of the Project.</p> <p>The Project’s human resource policies and procedures have been evaluated against the IFC Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local labor law.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for the Project on May 10, 2016.</p>

