

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Republic of Armenia
Name of Borrower:	First Mortgage Company, Universal Credit Organization, LLC, a limited liability company organized under the laws of Armenia (the “ Borrower ”).
Project Description:	Expansion of the Borrower’s origination of long-term home mortgage loans to households in Armenia (the “ Project ”).
Proposed OPIC Loan:	\$10,000,000, up to 20 years tenor with a 6-month grace period.
Total Project Costs:	\$13,448,000
U.S. Sponsors:	Nishan Atinizian and Margrit Atinizian (U.S. citizens)
Foreign Sponsor:	David Atanessian (Armenian citizen)
Policy Review	
U.S. Economic Impact:	The Project is not expected to have the potential for any 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 neutral impact on the U.S. trade balance.
Developmental Effects:	The Project is expected to have a positive developmental impact by expanding the availability of mortgages to women and low-income/rural families in Armenia. The development score signifies the Project as “developmental.” While home ownership rates in Armenia are high, mortgage penetration remains low, at 3.24 per cent of GDP, compared to 5-10 percent for other middle-income countries. According to the Asian Development Bank, only a small portion of women in Armenia own property independently, which limits their access to other forms of credit due to their lack of collateral. The Project aligns with UN Sustainable Development Goal #5 (Gender Equality) by improving women’s access to mortgages and Goal #11 (Sustainable Cities & Communities) by improving access to affordable housing.
Environment:	The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Loans for the purpose of home mortgage loan origination and servicing are screened as Category C projects under OPIC’s environmental guidelines because projects financed under the limited loan proceeds of these facilities are small in scope and are unlikely to result in significant adverse impact on the environment. The Project is not subject to an assessment of climate change resilience pursuant to Executive Order 13677.

	<p>APPLICABLE STANDARDS: Under OPIC’s Environmental and Social Policies, the Borrower is required to comply with applicable national laws and regulations related to environmental and social performance. OPIC’s environmental due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following International Finance Corporation’s (“IFC”) 2012 Performance Standards (“PSs”):</p> <ul style="list-style-type: none"> • PS 1: Assessment and Management of Environmental and Social Risks and Impacts • PS 2: Labor and Working Conditions <p>Additionally, the Project will be required to meet applicable provisions of the IFC’s April 30, 2007 Environmental Health and Safety General Guidelines (the “General Guidelines”).</p> <p>ENVIRONMENTAL & SOCIAL ISSUES AND MITIGATION: The Borrower has established an Environmental and Social Risk Assessment Policy and Work Health and Safety Policy in conformity with the above PSs and General Guidelines. The Borrower screens its borrowers for conformance with its Environmental Policy. The Borrower represents that its operations are consistent with performance standard requirements on healthy and safe work environments.</p>
Worker Rights:	<p>The Project will be required to operate in a manner consistent with the above PSs, OPIC’s Environmental and Social Policy Statement, and applicable local laws.</p> <p>OPIC’s statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including any contracted workers.</p> <p>The Project has in place a labor management system, including human resources policies and employment contracts commensurate to the Project’s activities. The Project has in place an Environmental and Social Risk Assessment Policy that outlines its overall environmental and social policies for on-lending, and is based on both the above IFC PSs and the Equator Principles.</p> <p>This review covers the commensurate human rights risks associated with mortgage lending in Armenia.</p>
Human Rights:	Project received its human rights clearance in July, 2018.