

INFORMATION SUMMARY FOR THE PUBLIC

Host Countries:	El Salvador and Panama
Name of Guaranty Beneficiary:	La Hipotecaria Mortgage Trust – 2018-1
Project Description:	OPIC will provide a guaranty for a mortgage securitization that is backed by mortgage loans for affordable housing in El Salvador and Panama. The proceeds of the transaction will be used to originate new mortgages for affordable housing, which will add vital liquidity to both El Salvador’s and Panama’s housing finance sector.
Proposed OPIC Guaranty:	\$75,000,000
Total Project Costs:	\$102,000,000
U.S. Sponsor:	La Hipotecaria Mortgage Trust – 2018-1, a Delaware Statutory Trust
Foreign Sponsor:	La Hipotecaria, S.A. de C.V. (El Salvador) and Banco La Hipotecaria S.A. (Panama)
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is U.S. procurement associated with this Project, and, therefore the Project is expected to have a small, but positive impact on U.S. employment. The Project is expected to have a positive five-year U.S. trade balance impact.
Developmental Effects:	This Project is expected to have a highly developmental impact through a further deepening of capital markets in El Salvador and Panama. This securitization will enable LH Group to issue approximately 2,500 new mortgages, of which 77 percent is expected to be for lower-income homebuyers. Housing remains unaffordable to ordinary El Salvadorans, and the shortage affects more than 944,000 families and results in six out of 10 families living in inadequate housing. Mortgage penetration (as a percent of GDP) in El Salvador remains low at two percent, and primarily serves upper-middle-income borrowers. Panama currently has a housing deficit of 140,000 units, mostly for homes in the lower-price ranges (less than \$60,000). Investor involvement in the real estate sector has driven up land prices, which has reduced affordability for lower income buyers. Lastly, this Project will help El Salvador and Panama work towards UN Sustainable Development Goal number 11 (Sustainable Cities & Communities) through support of a mortgage lender focused on low-middle-income borrowers.
Environment:	Mortgage securitizations by financial institutions are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, and safety impacts are minimal. However, in order to insure that the financial institution’s loans are consistent with OPIC’s statutory and policy requirements, proceeds of the OPIC loan will be subject to conditions regarding use of proceeds. The financial institutions will be required to comply with the applicable national laws and regulations related to environmental, health, and safety

	<p>performance, including requirements related to healthy and safe work environment.</p>
<p>Social Assessment:</p>	<p>The Project will have impacts that must be managed in a manner consistent with the International Finance Corporation’s Performance Standards, 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. Standard and supplemental contract language will be applied to all workers of the Project.</p> <p>The Project has in place a human resources management system that meets the applicable standards. The Bank has developed and implemented policies for social and environmental management commensurate with the risks associated with the facility and consistent with the requirements of the IFC Performance Standards.</p> <p>This review covers the commensurate human rights risks associated with mortgage lending in Latin America.</p>