

## SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country(ies):	Panama
Name of Beneficiary:	La Hipotecaria Panamanian Mortgage Trust 2014-1
Project Description:	<p>This OPIC guaranty will enable a Panamanian bank specializing in low-middle income mortgages to continue to access long term funds to expand its programs in Panama. While Panama is a higher income country, it has a GINI rating of 51.92, which is only about three points better than its poorer neighbors, Guatemala and Honduras. Panama suffers from a lower cost housing deficit of 136,000 units, which is growing every day. Banco La Hipotecaria specializes in working with the buyers and builders of these homes, providing affordable and efficient access to both government subsidized and standard mortgages with 30 year terms. By supporting BLH operations in Panama, OPIC indirectly helps the bank's subsidiary operations in Colombia and El Salvador.</p> <p>OPIC will provide a Guaranty of timely interest and ultimate principal repayment for approximately \$56.25 million of U.S. Mortgage-Backed Certificates issued pari passu with approximately \$4.5 million of non-guaranteed U.S. Mortgage-Backed Certificates, which will be supported by payments in respect of approximately \$60.75 million of the \$68.25 million of BBB (global) rated Senior Panamanian Mortgage Backed Notes. The Senior Panamanian Mortgage Backed Notes, together with approximately \$6 million in Series B Subordinated Notes and \$750,000 of Series C Subordinated Notes, will be secured by a \$75 million pool of Panamanian low-middle income mortgages.</p>
Proposed OPIC Guaranty:	\$56,250,000
Total Project Costs:	\$76,454,000
U.S. Beneficiary:	La Hipotecaria Panamanian Mortgage Trust 2014-1 (Delaware)
Sponsor:	Banco La Hipotecaria, S.A.
<b>Policy Review</b>	
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 for the purchase of financial services, which will result in a small but positive impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.

Developmental Effects:	This Project will have a positive developmental impact on the host country. La Hipotecaria will use the securitization of existing mortgages to repay existing lines of credit, which in turn will enable the company to issue new mortgages in Panama for low-middle income borrowers, such as teachers, police officials, and other individuals employed in the formal sector. With steady economic growth, home prices are on the rise in Panama. In response, the Panamanian government has raised the upper limit of home prices under which buyers can benefit from down payment subsidy programs. La Hipotecaria was the first in the region to issue mortgage securitizations.
Environment:	Mortgage securitizations are screened as Category C projects under OPIC's environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. However, in order to insure that the Borrower'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 Borrower 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 environments and will provide OPIC with an environmental and social policy statement.
Workers Rights:	OPIC's statutorily required standard Worker Rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining. The Project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers of the Project.
Human Rights:	OPIC issued a human rights clearance for the Project on April 15, 2014.