

Public Information Summary

Host Country	Guatemala
Name of Borrower	COSAMI, R.L.
Project Description	The Project will expand the cooperative’s mortgage lending to lower-income borrowers in Guatemala. The cooperative’s members are located in largely rural and peri-urban areas of the Western Highlands and largely consist of individuals who identify as members of the indigenous (Maya) community.
Proposed DFC Loan/Guaranty	\$20,000,000
All-Source Funding Total	\$23,600,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in Guatemala by improving access to affordable housing for low-income Guatemalans through the provision of housing loans. Cosami operates in majority indigenous municipalities who are disproportionately low-income, and 100% of proceeds will go to housing loans for low-income borrowers. The Project will improve access to housing finance by using innovative business practices to provide loans to clients that face challenges securing traditional bank finance with an estimated 35% first-time borrowers.
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct investments to financial institutions for the expansion of issuing mortgages to individuals, are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.</p> <p>To ensure that the Borrower’s investments are consistent with the DFC’s statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC’s ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2. A desk-based due diligence assessment indicates that because</p>

	<p>the Project will use DFC support for mortgage lending to low income individuals for the purpose of expanding their mortgage portfolio in Guatemala, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize private armed security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered.</p> <p>The Borrower lacks an environmental and social policy as described in IFC PS 1. The Borrower does have partially complaint grievance mechanisms, and human resources policies generally commensurate with its investment strategy but will require updating for full adherence to the IFC PS. Therefore, the Borrower will be required to create and provide for DFC review an Environmental and Social Policy in accordance with IFC PS1, updates or creation of Human Resources practices, and evidence that private security is trained in accordance with IFC PS 4 requirements to meet the DFC's 2020 Environmental Policy and Procedures.</p>
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