

Public Information Summary

Host Country	Ecuador
Name of Guaranty Beneficiary	International Ecuadorian Mortgage Backed Securities (2019-1)
Project Description	A securitization of mortgages in the U.S. capital markets that will generate significant liquidity to provide mortgage loans needed to bridge an approximate 400,000-unit affordable housing gap in Ecuador.
Proposed OPIC Loan/Guaranty	\$150,000,000
Total Project Costs	\$205,000,000
U.S. Sponsor	International Mortgage Securitizations LLC
Foreign Sponsor	Banco Pichincha
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 for the purchase of financial services, which will result in a positive impact on U.S. employment. The Project is expected to have a neutral impact on the U.S. trade balance.
Developmental Effects	This Project will have a highly developmental impact on Ecuador. Banco Pichincha will use the proceeds from the securitization of existing mortgages to issue an estimated 6,000 new mortgages in Ecuador to first-time low-and middle-income home buyers. This Project will be the first cross-border mortgage backed securitization in Ecuador and assist Banco Pichincha in deepening its availability of private sector funding for mortgages and improve upon its financial data collection and analytics. Ecuador's 2010 census identified a housing deficit of 350,967 homes, and the Ecuadorian Government estimates that another 725,000 Ecuadorian households currently live in irregular and inadequate housing. Accounting for population growth, the Government of Ecuador estimates the actual housing deficit at around 2.7 million homes. The 2016 earthquake damaged or destroyed an estimated 350,000 homes, exacerbating this problem. A portion of new mortgages is expected to support low-income homes, which constitute the bulk of the housing deficit in Ecuador and is a national priority. A majority of the portfolio will support non-salaried, independent workers, which include informal workers. Informal workers constitute approximately 61 percent of non-agricultural workers in Ecuador and face additional challenges in accessing finance. 25% of the proceeds of the transaction will be directed

	to loans to support women-owned/-led enterprises, women-supporting enterprises, or individual women borrowers.
Environment	Mortgage securitization projects 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 ensure that the Project is consistent with OPIC’s statutory and policy requirements, proceeds of the issuance will be subject to conditions regarding use of proceeds. Banco Pichincha has an environmental and social policy and management system (ESMS) commensurate to the risk and nature of the Project and 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.
Social Assessment	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws. OPIC’s statutorily required language will be supplemented with provisions concerning nondiscrimination. Standard and supplemental contract language will be applied to all workers engaged by the Project. The Project involves mortgage securitization in Ecuador. The Project’s ESMS includes screening and monitoring for social risk, including labor risks of its borrowers, commensurate with the risks anticipated with the portfolio. Banco Pichincha has in place a labor management system consisting of human resource policies, employment contracts, employee grievance mechanism, and a contractor management system.</p> <p>This review includes the commensurate human rights risks associated with mortgage lending in Ecuador.</p>