

 Early Warning System

AFDB-P-KE-HB0-009

Kenya - Kenya Mortgage Refinance Company (KMRC)



Quick Facts

Countries	Kenya
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2019-05-15
Borrower	Government of Kenya
Sectors	Finance
Investment Amount (USD)	\$ 51.70 million



Project Description

The project consists of a sovereign loan to the Government of Kenya (GoK) of up to EUR 90 million to be on-lent to the Kenya Mortgage Refinance Company (KMRC) as a senior loan of up to EUR 72 million and a subordinated loan of up to EUR 18 million. The facility will complement the GoK's efforts to develop a self-sustaining long-term mortgage market and stimulate private sector investment in the housing sector in collaboration with the private sector, the AfDB, and other International Financial Institutions (IFIs). KMRC will be a capital market-based solution, which will extend mortgage refinance products and enable capital market access as an intermediary to Primary Mortgage Lenders (PMLs), which are mainly banks, Savings and Credit Cooperative Societies (SACCOS) as well as Microfinance Institutions (MFIs), in order to help improve the accessibility and affordability of mortgages. This will increase the number of qualifying borrowers and help in standardizing mortgage lending practices to drive efficiency, leading to expansion of the primary mortgage market and home ownership while supporting the deepening of the local capital markets concurrently. The proposed support to the establishment of KMRC will catalyze further deepening of domestic capital markets, mobilization of local savings for the purposes of providing long-term local currency funding for the purposes of mortgage finance and housing development in Kenya.

The funds from the AfDB will support the GoK endeavors to operationalize KMRC, and to promote lower middle and middle income earners access to affordable mortgages while concurrently catalyzing development of a sustainable domestic mortgage finance sector and local currency debt capital market. The project will increase uptake of home mortgage, development of sustainable and inclusive cities & supporting private sector to provide affordable housing.

The establishment of KMRC will create additional financial space for the construction of new houses, creating new jobs and assisting in improving Kenyan's quality of life, and access to affordable mortgage finance products. It is estimated that up to 4,000 new mortgages are to be supported through this proposed intervention by the Bank, directly impacting around 24,000 beneficiaries.



Investment Description

- African Development Bank (AFDB)



Contact Information

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ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at <https://www.afdb.org/en/independent-review-mechanism/>.



Bank Documents

- [Project Information](#)