

 Early Warning System

MIGA-14994

Fondo Mivivienda Green Mortgages



## Quick Facts

<b>Countries</b>	Peru
<b>Financial Institutions</b>	Multilateral Investment Guarantee Agency (MIGA)
<b>Bank Risk Rating</b>	FI
<b>Voting Date</b>	2022-05-18
<b>Borrower</b>	Banco Santander S.A., of Spain
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Guarantee
<b>Investment Amount (USD)</b>	\$ 370.00 million



## Project Description

### PROJECT DESCRIPTION

This summary covers an application made by Fondo Mivivienda S.A. (FMV) to cover a proposed lending facility to be provided to FMV by Santander S.A. of Spain, J.P. Morgan Chase & Co. of the United States, and other lender(s) yet to be identified.

MIGA's coverage has been sought in relation to a Non-Honoring of Sovereign Financial Obligations by a State-Owned Enterprise (NHFO-SOE) guarantee for up to US\$370 million to cover an up to US\$300 million US dollar debt financing structure with a tenor of up to 11 years.

The MIGA-guaranteed loan(s) will be used by FMV to finance the expansion of its green mortgage lending to low and middle-income households through financial intermediaries. FMV is a wholly owned financial institution of the Government of Peru with strategic importance in promoting and financing housing solutions in the country. It is the largest provider of affordable housing financing in Peru and plays a critical role in the government's public policies to reduce the country's housing shortage.

### ENVIRONMENTAL CATEGORIZATION

The MIGA Project will support mortgages to middle and low-income households through FMV's green mortgage program. The E&S risks associated to with retail mortgage loans are considered minimal and this Project has thus been categorized as FI-3 MIGA's Policy on Environmental and Social Sustainability (2013). There will be no E&S requirements for the lending portfolio. FMV will be required to comply with the labor requirements set forth under Performance Standard 2: Labor and Working Conditions.

### DEVELOPMENT IMPACT

The MIGA-guaranteed loan(s) are expected to support increased access to finance for social housing in Peru. The mortgages, aimed at low and middle-income households, will benefit from reduced interest rates, as well as grants/subsidies that will reduce the price of certified green social housing to levels comparable with the price of conventional housing. The mortgages will support green housing construction, which in turn will boost job creation and promote economic recovery from the COVID-19 economic shock. Finally, the availability of mortgages will promote financial inclusion for the underserved segment of low-income households.

The Project is consistent with the WBG Country Partnership Framework FY17-FY21 for Peru, under its pillar of "services for citizens across the territory," since it will support the provision of housing for the low and middle-income population across Peru, and with the pillar on "natural resource and climate risk management", since the promotion of 'green' buildings will contribute towards mitigating climate change impacts.



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## Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Banco Santander SA](#) (Financial Intermediary)
- [JPMorgan Chase & Co](#) (Financial Intermediary)



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## Contact Information

### ACCESS TO INFORMATION

You can submit a request for information disclosure at: [https://www.miga.org/contact/access\\_to\\_information](https://www.miga.org/contact/access_to_information)

You can also request general information about MIGA and for information on guarantees by emailing:  
[migainquiry@worldbank.org](mailto:migainquiry@worldbank.org)

### ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>