Report on

An analysis of comparable gender-specific products elsewhere and options for gender-specific guarantee products to be integrated into the GAHF model.

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Prepared by:

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ACRONYMS AND ABBREVIATIONS

ABBREVIATIONS	MEANING
GAHF	Green Affordable Housing Finance
GSE	Government-Sponsored Enterprise
IFC	International Finance Corporation
PMAY	Pradhan Mantri Awas Yojana
FHA	Federal Housing Administration
USDA	United States Department of Agriculture
CMHC	Canada Mortgage and Housing Corporation
EIB	European Investment Bank
KfW	Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute)
FHFA	Federal Housing Finance Agency
FTHBI	First-Time Home Buyer Incentive
BRAC	Bangladesh Rural Advancement Committee

EXECUTIVE SUMMARY

The Green Affordable Housing Finance (GAHF) model is designed to tackle the issues of housing affordability and sustainability, with a particular focus on addressing barriers faced by women in Kenya. This study aimed to provide an analysis of comparable gender-specific products from diverse regions including, India, Senegal, Ghana, Indonesia, Bangladesh, and El Salvador to give actionable insights into the Kenyan context. The study also aimed to present options for gender-specific guarantee products to be integrated into the GAHF model. Besides, the study aimed to give an analysis of the applicability and acceptability by local finance institutions and end-users, as well as market opportunity for impact.

The underlying objective of this report is to present viable options for gender-specific guarantees designed for the Kenyan context. Additionally, the report evaluates the applicability and acceptability of these options by local finance institutions and end-users, and assesses the market opportunity for their potential impact, thus providing actionable insights for enhancing financial inclusion and supporting women in the housing market.

Approach to the Study

The study employed a desk research methodology, leveraging a comprehensive literature review to analyze existing gender-specific guarantee products and their potential integration into the Green Affordable Housing Finance (GAHF) model. By examining comparable financial products from countries such as India, Senegal, Ghana, Indonesia, Bangladesh, and El Salvador, the research aimed to identify effective models and strategies applicable to the Kenyan context. This approach allowed for a detailed evaluation of various guarantee products—such as income stabilization, graduated guarantee scheme, co-borrower support and gender-specific loan default guarantee —providing a thorough understanding of their relevance and potential impact within Kenya's housing finance landscape.

Key Findings and Recommendations

The report identified several notable comparable gender-specific products from different regions that offer valuable understanding for integrating into the GAHF model. Some of these products include the Pradhan Mantri Awas Yojana (PMAY) in India which provides income stabilization through government-subsidized mortgage rates, which helps women with lower monthly payments. In Senegal community-based guarantee schemes use local savings groups to back loans, enhancing access for women in informal sectors. In Ghana Gender Smart Investing Initiative by the European Investment Bank offers partial coverage of loan defaults, reducing risk for lenders and encouraging more loans to women. Besides, Indonesia's use of flexible repayment terms under its affordable housing programs supports women with irregular incomes. In Bangladesh, the 'Tara' initiative by BRAC Bank provides gender-specific loan default guarantees to facilitate female homeownership. In addition, El Salvador's innovative housing finance solutions include co-borrower and guarantor support guarantees, which assist women lacking traditional guarantors.

The analysis revealed that performance and default guarantees are highly applicable for reducing lending risks associated with women borrowers. Performance guarantees are particularly favoured by 50% of financial institutions, while 17% show interest in default guarantees. These guarantees provide financial security to institutions, encouraging increased lending. However, alternative credit assessments, such as using mobile phone usage and informal business records, are currently underutilized. Only 14% of institutions incorporate these methods, despite their potential to improve credit assessments for women with limited formal credit histories.

Gender-specific loan default guarantees have moderate acceptability. While 82% of institutions do not offer tailored products, there is recognition of their importance in supporting women borrowers. Community-based guarantees, such as those using community savings groups (chamas), show promise but require modifications to risk assessment frameworks to be more widely accepted. There is also a need for increased market education to enhance awareness of these financial products among potential women borrowers, especially those in informal and low-income sectors.

The GAHF model's emphasis on green housing presents significant opportunities, with high potential interest from financial institutions if regulatory and cost barriers are addressed. Key challenges identified include high initial costs and regulatory hurdles, which currently deter 42% of institutions from adopting green financing options. The report underscores that addressing these barriers and enhancing market education can facilitate greater adoption of sustainable and affordable housing solutions. The integration of green housing incentives can drive long-term environmental and economic benefits while meeting the growing consumer demand for sustainable living.

Several strategies can be used for integrating gender-specific guarantee products into the GAHF model. For instance, forming strategic partnerships with financial institutions, real estate developers, and government bodies is crucial for accessing necessary capital, expertise, and regulatory support. Capacity building through targeted training initiatives can enhance understanding of the unique housing finance needs of women, leading to more inclusive financial solutions. Implementing robust monitoring and evaluation mechanisms is essential for assessing the impact and effectiveness of gender-specific guarantees, allowing for continuous improvement and adaptation.

1. Introduction

Homeownership serves as a transformative force in the lives of individuals and all families worldwide. Homeownership implies personal security and forms a pillar of economic empowerment. In developing countries such as Kenya, homeownership, especially for women, extends beyond the mere possession of property as it represents social status, personal autonomy, and is a key driver of financial stability. As such, owning a home gives women a sense of permanence and safety thus buffering them against the vulnerabilities linked with poverty and displacement. Nonetheless, there is a formidable challenge to equitable access to homeownership for many women, especially in low-income and informal employment sectors. While several legal and policy frameworks support women's rights to property, challenges of job instability, and inflexible loan terms, amongst others impede their path to homeownership.

This research gives a comprehensive analysis of gender-specific financial products designed to facilitate homeownership for women in India, Senegal, Ghana, Indonesia, Bangladesh, and El Salvador. These financial products have provided innovative solutions tailored to address challenges faced by women in acquiring loans for houses. In examining a diverse array of financial products for women's needs in these regions, this research uncovers the effectiveness and impact of such initiatives in enhancing financial inclusion and economic empowerment for women.

Subsequently, this analysis offers a range of options for integrating gender-specific guarantee products into the Green Affordable Housing Finance (GAHF) model. This integration is key in enhancing women's access to affordable and sustainable housing. As a result, these guarantee products would enhance gender equity and economic success by breaking down the barriers to homeownership for women and promoting the housing finance system.

2. An Analysis of Comparable Gender-Specific Products.

2.1. India

a. Pradhan Mantri Awas Yojana (PMAY) - Housing for All (Urban)

Eligibility and Ownership Structure

The Pradhan Mantri Awas Yojana (PMAY) - Urban scheme is a government initiative in India aimed at providing affordable housing to the urban poor. To qualify for PMAY, families must not own a pucca house (a permanent dwelling unit) in any part of India under any member's name. Eligibility is determined using the Socio-Economic and Caste Census (SECC) 2011 data or a survey conducted by Urban Local Bodies (ULBs), and beneficiaries are validated through Aadhaar numbers to ensure uniqueness and prevent duplication (Government of India). The scheme emphasizes women's empowerment by requiring that the house be registered in the name of the female head of the household or jointly with the male head, further promoting gender inclusion in homeownership.

Financial Model

PMAY includes a Credit Linked Subsidy Scheme (CLSS), which offers subsidies on home loan interest rates based on the applicant's annual income. The scheme provides a 6.5% rebate on loans up to Rs. 6 lakh for women from Economically Weaker Sections (EWS) and Lower Income Groups (LIG) (Piramal Finance, 2023). Additionally, female homeowners benefit from significant subsidies, with a maximum subsidy of Rs. 2.67 lakhs if a woman is registered as a co-owner[1]. PMAY also offers low-interest rates on housing loans, eliminates prepayment charges, and provides tax benefits of up to Rs. 2 lakh on home loan interest payments, making homeownership more affordable and accessible for women.

Loan Uptake and Results

Since its launch on June 25, 2015, PMAY has played a critical role in addressing the housing shortage among economically weaker sections, low-income, and middle-income groups, including slum dwellers[2] (Government of India). By offering substantial financial incentives, such as subsidies and reduced stamp duty rates, particularly for women, the scheme has seen significant uptake among female homeowners. The requirement for female or joint ownership of the house has further empowered women, contributing to increased participation in homeownership across urban India. As of June 10, 2024, the scheme has sanctioned a total of 1.18 Crore houses, 1.14 Crore houses have been grounded for construction, and 83.67lakhhouses have been completed[3].

b. Mahila Housing SEWA Trust (India)

Eligibility Criteria and Ownership Structure

The Mahila Housing SEWA Trust (MHT), established in 1994, is dedicated to improving the lives of women in urban informal settlements across India. To become eligible for housing and microfinance loans through MHT, women must be members of the Self-Employed Women's Association (SEWA) or active participants in MHT's community-based organizations (CBOs) (Oxfam International, 2020). This membership requirement highlights the importance of collective action and community involvement. Additionally, women seeking support must demonstrate active income-generating activities, a positive credit history, and a well-defined purpose for the loan. Peer support groups and community endorsements are also crucial, as they verify the applicant's commitment and reliability, ensuring that the women are well-prepared for the financial responsibilities of homeownership.

Financial Model

MHT operates on a microfinance model tailored specifically for women in urban informal settlements. The organization provides small loans that are structured to be accessible and manageable for low-income women, focusing on the needs of female-headed households. The microfinance model emphasizes group lending, where women form peer groups that collectively guarantee each other's loans, reducing the risk

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[1] Many state governments have partial or complete removal of stamp duty under the **PMAY** scheme. You can get a 1-2% waiver on stamp duty rates.

[2] Pradhan Mantri Awas Yojana-Urban (PMAY-U), a flagship Mission of Government of India being implemented by Ministry of Housing and Urban Affairs (MoHUA), was launched on 25th June 2015.

[3]Government of India, PMAY (Link)

of default. This group-based approach not only ensures financial responsibility but also fosters a sense of community and mutual support among the participants.

Uptake and Results

Since its inception, MHT has expanded significantly, growing from initially reaching 180 female-headed households through its Slum Networking Programme (SNP) to serving 350,000 households across 36 cities in eight states of India by 2020 (Oxfam International, 2020). The organization has established 988 community-based organizations (CBOs), engaging 15,000 women participants and training 12,000 women leaders[4]. These CBOs have played a pivotal role in advocating for women's rights, influencing policymaking, and improving access to essential services. Additionally, MHT has successfully secured land tenure rights for women in informal settlements, registering 22,563 property titles and enabling 22,526 women to access title and/or tenure rights[5]. This achievement has provided women with legal recognition, security against eviction, and the foundation for long-term economic empowerment and sustainable living conditions.

2.2. Senegal

a. The Alliance de Crédit et d'Épargne pour la Production (ACEP)

Eligibility Criteria and Ownership Structure

The Alliance de Crédit et d'Épargne pour la Production (ACEP) targets women entrepreneurs in the informal sector, particularly those who have established small businesses. To be eligible for ACEP's microfinance services, women must demonstrate business viability and a consistent income-generating activity. Additionally, ACEP assesses the credit history of applicants to gauge their financial responsibility and repayment record. Women who participate in savings groups or tontines are given priority, as their involvement in these community-based financial activities reflects their financial discipline and collective support. ACEP's ownership structure emphasizes individual and group responsibility, with a significant focus on empowering women entrepreneurs to achieve financial independence and stability.

Financial Model

ACEP operates a microfinance model, focusing on providing small loans to women entrepreneurs, particularly those in the informal sector. This model prioritizes women due to their lower risk profile, as evidenced by their higher repayment rates and lower Portfolio at Risk (PAR 30) compared to male borrowers[6]. The financial model relies on rigorous assessments of the applicant's business viability, income potential, and credit history to ensure the sustainability and success of the loans provided. ACEP's microfinance approach fosters economic independence and supports the reduction of gender disparities in financial inclusion and homeownership in Senegal.

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[4] Oxfam International October 2020:(Link)
[5] Ibid
[6] International Finance Corporation 2023 (Link)

Uptake and Results

ACEP has seen substantial success with its microfinance initiatives, particularly among women entrepreneurs. Women constitute over 50% of ACEP's credit portfolio, a clear indication of the institution's focus on female financial empowerment (International Finance Corporation, 2023). The lower Portfolio at Risk (PAR 30) rate among women, at 38% compared to 62% for men, further highlights the effectiveness of ACEP's targeted approach[7]. This has led to increased financial inclusion for women in the region, with many women gaining access to credit and financial services that promote homeownership and entrepreneurship. ACEP's strategy has not only supported the economic empowerment of women but has also contributed to a more equitable financial landscape in Senegal and West Africa.

b. UrbaSEN

Eligibility Criteria and Ownership Structure

UrbaSEN, in collaboration with the Senegalese Federation of Inhabitants (FSH), operates a housing cooperative model that is predominantly led by women. To be eligible for loans under this system, women must be active members of one of the 570 savings groups under FSH, which comprises 15,000 members, 96% of whom are women (World Habitat, 2023). Applicants are required to regularly contribute to a collective savings pool, demonstrating their financial discipline and reliability. Additionally, women must be engaged in income-generating activities to ensure they can repay the loans. The ownership structure of UrbaSEN's initiatives is rooted in collective savings and the empowerment of women through cooperative ownership and participation.

Financial Model

UrbaSEN and FSH employ a financial model based on a revolving fund system that mirrors the principles of tontines. This model enables women in the informal sector to save collectively and access affordable loans for home improvements[8]. The revolving fund system is sustained through regular contributions from members, allowing for continuous lending activities, even during economic downturns, such as the COVID-19 pandemic. This approach not only facilitates access to credit on favourable terms but also builds financial resilience among women, particularly those in vulnerable households. The financial model emphasizes mutual support and collective responsibility, which are integral to the sustainability of the program[9].

Uptake and Results

The uptake of UrbaSEN's financial services has been significant, particularly among women in the informal sector. The revolving fund system has successfully disbursed 48 loans by June 2021, despite the challenges posed by the COVID-19 pandemic (International Finance Corporation, 2023). These loans have been crucial in sustaining income-generating activities and improving living conditions for vulnerable women. The

[7] Ibid

[8] Enhancing financial Capability and Inclusion Report – World bank (Link).

[9] International Finance Corporation, 2023 (Link)

strong emphasis on collective savings and financial discipline has enabled UrbaSEN and FSH to build a resilient financial support system that empowers women economically and enhances their ability to withstand economic shocks. Through this initiative, women have gained broader access to essential financial services, leading to improved economic empowerment and better housing conditions in Senegal.

2.3. Ghana

a. Sinapi Aba Savings and Loans

Eligibility Criteria and Ownership Structure

Sinapi Aba Savings and Loans focuses on women in Ghana's informal economy, requiring them to participate in traditional susu methodologies to qualify for loans. These methodologies involve small, regular savings contributions, typically collected by mobile bankers. Through this process, women build a savings history, which demonstrates their financial discipline and commitment. With over 400,000 clients, more than 80% of whom are women, Sinapi Aba prioritizes those in the informal sector, ensuring that financial services are accessible and beneficial to women entrepreneurs[10].

Financial Model

Sinapi Aba operates as a microfinance institution (MFI), employing a financial model rooted in traditional susu methodologies, combined with innovative digital technologies. The susu approach involves small, consistent savings from clients, which are then pooled to provide financial products, such as loans. This MFI model is particularly effective among women in the informal sector, offering them an accessible way to save and build financial credibility. Sinapi Aba's use of alternative delivery channels, including SMS banking and mobile bankers, further enhances financial inclusion by making banking services more accessible to women in remote and underserved areas[11].

Uptake and Results

Sinapi Aba's innovative approach has led to a significant uptake among women in Ghana's informal sector. The institution serves over 400,000 clients, with more than 80% being women (International Finance Corporation, 2023). The successful integration of digital technologies alongside traditional susu practices has bridged gaps in financial inclusion, empowering women economically, especially in remote areas. Sinapi Aba's efforts were recognized when it was awarded the Gold Winner for the Best Bank for Women Entrepreneurs in 2020 by the Global SME Finance Awards, reflecting its impact in supporting women entrepreneurs and promoting financial inclusion[12].

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[10] Opportunity International, "Opportunity International Partner, Sinapi Aba Savings and Loans, Named Best Bank for Women Entrepreneurs by Global SME Finance Awards" press release, November 18, 2020, (Link)

[11] Opportunity International, "Opportunity International Partner, Sinapi Aba Savings and Loans, Named Best Bank for Women Entrepreneurs by Global SME Finance Awards" press release, November 18, 2020, (Link)

[12]Women Entrepreneurs Award Report (Link)

2.4. Indonesia

a. KOMIDA

Eligibility Criteria and Ownership Structure

KOMIDA, Indonesia's second-largest microfinance institution, focuses on improving the lives of low-income women through housing loans, renovations, and business enhancements. Since its inception in 2004, KOMIDA has prioritized loan eligibility for women who are actively involved in their communities, have a history of financial responsibility, and are existing clients of KOMIDA[13]. These women must also demonstrate the ability to repay the loan, ensuring that the institution's support reaches those most capable of managing the financial responsibilities.

Financial Model

KOMIDA operates as a microfinance institution (MFI) with advisory support from the Terwilliger Center for Innovation in Shelter. The financial model primarily involves providing housing loans but also extends to loans for renovations and business premises enhancements. This model is designed to cater to the specific needs of low-income women in Indonesia, addressing both their residential and business needs. KOMIDA's approach includes water and sanitation loans, which are crucial for properties lacking basic facilities, further demonstrating the institution's commitment to holistic community development and sustainable livelihoods[14].

Uptake and Results

Since its inception, KOMIDA has had a significant impact, directly benefiting around 720,000 women (International Finance Corporation, 2023). By March 2020, it had disbursed housing loans to approximately 3,500 women, reflecting its strong commitment to addressing the residential needs of women in Indonesia's informal economy. The inclusion of water and sanitation loans as part of the housing renovations further enhances living conditions and supports business environments, contributing to economic growth and sustainability. KOMIDA's initiatives align with broader development goals, reducing poverty and advancing sustainable livelihoods across the country.

b. Granada

Eligibility Criteria and Ownership Structure

Granada, an innovative fintech platform in Indonesia, focuses on peer-to-peer lending tailored specifically to property-related financing. The platform is designed to integrate various stakeholders in the housing value chain, simplifying the process of acquiring or renting homes. For women, especially in Indonesia's major economic centres, this platform addresses significant financial challenges. Women seeking to rent homes can access rental bridging loans through Granada, which helps them build a rental history and

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[13] International Finance Corporation, 2023 (Link)
[14] Microfinance Revolution In Indonesia (Link)

create a credit profile[15]. This credit profile is essential for securing future financial services, such as mortgage loans, thereby expanding their homeownership opportunities.

Financial Model

Granada operates on a fintech-based peer-to-peer lending model in Indonesia, targeting property-related financing needs. The platform is a digital integration of stakeholders across the housing value chain, facilitating easier access to rental and homeownership options for women (International Finance Corporation, 2023). By offering rental bridging loans and capital support for down payments, Granada addresses the specific financial challenges women face, such as the lack of savings or capital for down payments. This fintech model is pivotal in helping women secure mortgage financing and ultimately achieve economic independence.

Uptake and Results

Granada's innovative approach has been instrumental in increasing homeownership opportunities for women in Indonesia's urban centres. By providing rental bridging loans, Granada helps women create rental histories and build credit profiles, which are critical for accessing future financial services. The platform's support for down payments also plays a significant role in addressing immediate housing needs, enabling more women to become homeowners[16]. As a result, Granada contributes to women's economic independence and addresses housing challenges in Indonesia's major economic hubs.

2.5. Bangladesh

a. The Grameen Bank Housing Programme

Eligibility Criteria and Ownership Structure

The Grameen Bank Housing Programme, launched in 1984, has a strong focus on empowering the poorest families in rural Bangladesh by enabling them to own durable, cyclone-resistant homes. Eligibility for housing loans is prioritized for existing borrowers who have maintained a 100% repayment record on their previous loans, particularly after fully repaying their first two income-generation loans (World Habitat). During natural disasters, the bank may relax these criteria to address urgent housing needs. Importantly, 96% of the property titles under this program are held by women borrowers, significantly enhancing their financial security and social status[17].

Financial Model

The Grameen Bank Housing Programme operates on a microfinance model specifically designed to cater to the housing needs of the rural poor in Bangladesh. The program offers housing loans up to a maximum of $249, with a repayment period of 5 years at an interest rate of 8% (World Habitat). This affordable financial model is tailored to enable low-income families to build or improve their homes, with a focus on

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[15] International Financial Corporation, 2023 (Link)
[16] Ibid
[17] World Habitat (Link)

sustainability and resilience. The program's success is reflected in the completion of over 617,000 homes, averaging more than 30,000 new homes annually, thereby significantly increasing homeownership in rural Bangladesh (World Habitat).

Uptake and Results

Since its inception, the Grameen Bank Housing Programme has facilitated the construction of over 617,000 homes, transforming the lives of rural families in Bangladesh. The program has been particularly effective in promoting homeownership among women, with 96% of the housing titles under women's names[18]. This initiative not only provides shelter but also empowers women as key decision-makers in household finances. The focus on building durable, cyclone-resistant homes has reduced recurring expenditures on housing repairs, promoting long-term economic viability and family well-being. The program's emphasis on community involvement in the construction process further strengthens its impact on rural development.

2.6. El Salvador

a. The Casa Mujer Program

Eligibility Criteria and Ownership Structure

The Casa Mujer Program, initiated by the Fondo Social para la Vivienda (FSV) in El Salvador, aims to assist women in securing affordable housing. The program targets single women, heads of households, single mothers, widows, and divorcees aged between 26 and 50, with individual or family incomes below $1,460 per month[19]. Eligibility requirements stipulate that applicants must not currently own a home or hold existing credit with FSV, and they are eligible to benefit from the program only once. This structured approach ensures that the program provides meaningful assistance to those most in need, improving their living conditions and financial security.

Financial Model

The Casa Mujer Program operates as a government-backed financial initiative offering highly favourable conditions for women to purchase homes. The program provides financing covering up to 98% of the sales price for employees and 97% for entrepreneurs or independent professionals[20]. It also includes coverage for deed and registry expenses, with loan terms extending up to 30 years for female employees and 25 years for entrepreneurs or independent professionals. The maximum loan amounts are set at $50,000 for employees and $40,000 for entrepreneurs or independent professionals[21] (FSV). By offering low interest

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[18] World Habitat. The Grameen Bank Housing Programme.(Link)
[19] Social Fund for Housing (Link)
[20] Fondo Social para la Vivienda. (Link)

[21] Ibid

rates and comprehensive financing options, the program supports women in accessing affordable housing and improves their financial stability.

Uptake and Results

Since its launch, the Casa Mujer Program has significantly impacted the lives of Salvadoran women by enhancing their access to affordable housing. The program's comprehensive financing options, including high loan coverage and extended repayment terms, have enabled women to purchase new or used homes, thereby improving their living conditions. By focusing on women with low incomes and offering supportive measures such as coverage for deed and registry expenses, the program has contributed to greater financial security and better housing outcomes for its beneficiaries (FSV). The targeted assistance helps to address the housing needs of vulnerable women, supporting their economic independence and overall well-being.

3. Gender-specific Guarantee Products to be Integrated into the GAHF Model.

Gender-specific guarantees are designed to improve access to housing finance for women by addressing barriers such as traditional credit scoring limitations and the lack of targeted financial products. By improving financial inclusion, these guarantees ensure equitable opportunities for women to secure mortgages and housing loans. These guarantees can also incentivise and support real estate developers in increasing the supply of affordable housing in Kenya.

3.1. Income Stabilization Guarantee

The Income Stabilization Guarantee (ISG) is a financial safety net designed to provide temporary support by covering mortgage or rent-to-own payments during periods of unemployment or income reduction. This product provides temporary financial relief, typically for six to twelve months, to ensure continued payment of housing obligations, thereby reducing the risk of default for borrowers and enhancing the stability of the demand-side housing market. Such a mechanism is essential for ensuring that women borrowers, particularly those with unstable incomes, can maintain their housing payments and avoid the consequences of default. Similar models have been implemented successfully in other countries, such as India, where the Pradhan Mantri Awas Yojana (PMAY) program has effectively utilized interest subsidies to reduce mortgage burdens for low- and middle-income groups.

The income stabilization guarantee could cover up to 65% of the monthly mortgage or rent-to-own payments during the disruption period of not more than 12 months. In addition, this guarantee could initially target women borrowers in urban areas, where housing affordability is a critical issue, and gradually expand to cover other vulnerable women groups across the country. This product provides a critical solution to the challenges faced by women borrowers in Kenya's housing market, particularly those in informal employment or with low incomes, who often struggle to access housing finance due to job instability and fluctuating income. By providing this stability, the ISG makes both homeownership through mortgages and participation in rent-to-own schemes more attainable for women who might otherwise be excluded from traditional housing finance options.

Furthermore, the income stabilization guarantee has the potential to transform the housing market by boosting confidence among developers. Knowing that women borrowers have a mechanism in place to maintain their payments during financial hardship reduces the perceived risk of default, making it more attractive for developers to invest in housing projects aimed at this demographic. This assurance could stimulate the construction of more affordable housing units, particularly as developers align their projects with the growing demand for sustainable housing and government policies promoting green building practices.

For financial institutions (FIs), integrating the income stabilization guarantee fund into their housing lending portfolio can significantly expand their customer base by making housing loans more accessible to women. The ISGF reduces the risk associated with lending to women with unstable incomes, enabling banks to extend credit with greater confidence in both mortgage and rent-to-own contexts. This approach aligns with the objectives of Reall's GAHF instrument, which seeks to catalyze lending into the green affordable housing value chain for women. By participating in the income stabilization fund, sustained through contributions from Development Finance Institutions (DFIs), government agencies and private sector stakeholders, financial institutions can play a crucial role in maintaining the fund's viability and ensuring its long-term success.

India, through its Pradhan Mantri Awas Yojana (PMAY) programme, has used this product effectively. The monthly mortgage payments have been reduced through the government's interest subsidy, ranging from 3% to 6.5% under the PMAY on home loans for low-income and middle-income groups[22]. Furthermore, the United States of America has the Federal Housing Administration (FHA) loan program, which, unlike conventional loans, requires a lower down payment as low as 3.5% of the purchase price[23]. This is particularly beneficial to women and other low-income borrowers by making homeownership more attainable.

As the fund grows through careful investment in risk-free securities, such as government bonds, it will continue to offer substantial support to women borrowers, promoting greater financial inclusion and stability. Integrating the income stabilization guarantee fund into the GAHF model presents a holistic strategy to enhance access to housing finance for women in Kenya. By addressing the specific challenges of income instability and the broader concerns of developers and financial institutions, this product can contribute to the development of a more inclusive and sustainable housing market. This approach ultimately supports the economic empowerment of women and the growth of a self-sustaining housing finance ecosystem in Kenya.

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[22] Pradhan Mantri Awas Yojana (Link)
[23] FHA loans are considered government mortgage loans. The loan is funded or originated by the mortgage company but has a guarantee from the Federal Housing Administration (link).

3.2. Graduated Guarantee Scheme

The graduated guarantee scheme is a financial product that offers a flexible guarantee structure for borrowers, typically with a high initial coverage of circa 80% of the loan amount, encouraging financial institutions to extend credit to women with unstable or low incomes. As repayments are made, the guarantee coverage gradually decreases to circa 20%, encouraging borrowers to maintain regular payments and build credit profiles, ultimately reducing their dependency on the guarantee. The scheme is particularly beneficial for women who are initially perceived as higher risk by lenders, enabling them to secure loans that they might otherwise be denied. As these women stabilize their financial situations and improve their creditworthiness, the reduced guarantee coverage encourages them to take on more responsibility for their mortgage payments.

For Kenya, where women often face barriers in accessing housing finance due to irregular income patterns and higher perceived risks, this scheme could be particularly impactful. The scheme could start the guarantee coverage at 70% for mortgage loans and 30% for construction loans, reducing incrementally to 50% and 20%, respectively. This allocation balances the risk between developers and lenders, promoting both the supply and demand sides of the housing market. This approach is particularly beneficial for women initially viewed as higher risk due to unstable or low incomes, enabling them to secure loans they might otherwise be denied. As their financial situation stabilizes and their creditworthiness improves, the decreasing guarantee encourages them to take on more responsibility for their mortgage payments. In addition, with a reduced guarantee cover reflecting their improved risk profile, the interest rates charged by the bank also decrease. This results in a win-win situation where both the women borrowers benefit from lower repayment costs and the banks are incentivized to honour their obligations by extending more favourable loan terms.

In rent-to-own schemes, the graduated guarantee scheme covers a significant portion of up to 70% of rental payments during the initial stages, mitigating the risk for lenders and developers. As the tenant makes regular payments and builds equity in the property, the guarantee coverage decreases incrementally, encouraging tenants to continue making timely payments and building a strong payment history. This scheme makes rent-to-own models more accessible for women, providing financial security without the fear of losing their investment due to temporary financial difficulties.

The graduated guarantee scheme is a product that can be easily integrated into the GAHF model to address both the mortgage guarantee and enabling environment aspects. It provides a robust risk mitigation tool for financial institutions, allowing them to confidently extend mortgages and rent-to-own options to women borrowers. The scheme's structure helps women transition from tenants to homeowners by ensuring that the initial stages of their agreement are supported by a significant financial safety net. This safety net diminishes over time, encouraging consistent payments and fostering a sense of ownership.

From an enabling environment perspective, the graduated guarantee scheme incentivizes developers to increase the supply of affordable housing. Developers often hesitate to invest in affordable housing projects due to concerns about the financial stability of potential buyers or tenants, especially women with irregular incomes. By reducing the risk associated with lending to these groups through the graduated guarantee scheme, developers can be more confident in the market for their projects, particularly in green and sustainable housing developments.

By participating in this scheme, financial institutions can extend their lending to women borrowers with greater confidence, knowing that the initial risk is mitigated by the high guarantee coverage. Over time, as the borrower's repayment performance improves, the FI's exposure to risk decreases in a controlled manner, making the lending process more sustainable.

The Small Business Administration (SBA) 7(a) Loan Program in the United States provides a flexible guarantee to lenders, encouraging them to offer loans to small businesses that may not qualify under traditional criteria[24]. This guarantee decreases over time as the borrower's financial stability improves, reducing the lender's risk while incentivizing the borrower to assume more responsibility. Similarly, the GAHF model in Kenya could adopt a graduated guarantee structure to support women in securing housing loans. By offering higher guarantees initially and reducing them as the borrower demonstrates financial stability, GAHF could make housing finance more accessible to women, particularly those with irregular incomes.

Overall, the graduated guarantee scheme offers a strategic blend of initial high coverage and gradual reduction, supporting women borrowers on their journey to homeownership, whether through traditional mortgages or rent-to-own models. Its integration into the GAHF model addresses both the demand for more flexible and accessible housing finance and the supply of affordable housing by reducing perceived risks for financial institutions and developers.

3.3. Co-Borrower Support Mechanism

The co-borrower support mechanism is designed to enhance women's access to housing finance as it leverages collective responsibility through joint liability and allows multiple borrowers to pool resources to secure larger loans under the co-borrower support structure. By combining these two elements, this mechanism addresses the challenges women face, particularly those without collateral or stable credit histories, in meeting traditional lending requirements. Most women in Kenya, especially those falling in the low-income bracket are less likely to meet the requirements of the lenders principally financial institutions. These institutions typically require guarantors based on income status, which can be a significant barrier for women in informal employment. The joint liability and co-borrower support mechanism offers a solution by reducing the perceived risks associated with lending to these women. Under this model, spouses come in as co-borrowers, while Savings and Credit Cooperative Organizations (SACCOs), and Chamas[25] act as guarantors for loans, covering the loan if a member defaults. The co-

[24] The Small Business Administration (SBA) 7(a) Loan Program (Link)

[25] A chama is an informal cooperative society that is normally used to pool and invest savings by people in East Africa, and particularly Kenya.

borrower support mechanism which leverages collective responsibility not only facilitates access to housing finance for women but also supports the broader goal of financial inclusion.

For women in informal employment, the joint liability including their spouse's aspect provides a viable solution to unstable income and lack of traditional guarantors. Social cohesion within SACCOs motivates members to maintain regular payments, as defaulting would negatively affect their peers.

The integration of co-borrower support mechanisms with guarantees from SACCOs and Chamas in Kenya offers significant benefits for developers by expanding their customer base and reducing the risk associated with selling homes to women borrowers. This structured support system ensures that women can meet their payment obligations, leading to an increased supply of green affordable housing and aligning with government policies promoting sustainable development. Financial institutions gain a more secure and diversified lending portfolio by participating in this combined mechanism, which includes the women spouses being the co-borrower's pooling resources with SACCOs as guarantors. This approach also allows financial institutions to tap into a broader market segment, extending their reach to women who might otherwise be excluded from formal financial systems.

The Canada Mortgage and Housing Corporation (CMHC) effectively employs co-borrower and guarantor support through its First-Time Home Buyer Incentive (FTHBI) program. Eligible buyers under HTHBI's shared equity mortgages can receive 5% or 10% of the purchase price[26]. This lowers the monthly payments and mortgage amount. As such, this program allows individuals to pool their resources to qualify for a larger mortgage.

The combined mechanism can be seamlessly integrated into Reall's GAHF model, enhancing both the mortgage guarantee and enabling environment facilities. From a mortgage guarantee perspective, this dual mechanism provides substantial risk mitigation for financial institutions, particularly in the early stages of loan repayment. In rent-to-own models, the combined support of co-borrowers with SACCOs as guarantors lowers the financial threshold for entry, making homeownership more accessible to women.

3.4. Gender-Specific Loan Default Guarantees

A gender-specific loan default guarantee is a financial mechanism designed to mitigate the risks that lenders face when extending credit to borrowers who are perceived as higher risk due to gender-related factors. The guarantee covers a significant portion of the loan amount, typically up to 70% in the event of a default, thereby reducing the lender's exposure to loss. With the financial downturns faced by women in Kenya, it is common for lenders to perceive them as having a higher risk of defaulting on loans. To reduce this perceived risk, gender-specific loan default guarantees can encourage financial institutions to develop women-focused housing finance products. This product should seek to lower the risk by covering a

[26] FTHBI – (Link)

percentage of the loan amount in case of default. As such, this product will incentivize financial institutions to extend housing finance to women by lowering the risk.

The gender-specific loan default guarantee could cover a portion of the loan amount, typically 50-70%, in case of default, reducing the risk for lenders. A 65% coverage rate is recommended, balancing the need to incentivize banks while ensuring they share some risk, thereby promoting responsible lending. This encourages lenders to offer loans to women who might not meet traditional lending criteria and are considered high-risk, offering more favourable loan terms, such as lower interest rates and extended repayment periods.

For developers, this guarantee reduces lenders' risk, making it easier to secure funding for affordable housing projects aimed at women. It also supports the push for green building initiatives by linking guarantees to sustainable projects, increasing the supply of green affordable homes in Kenya. Financial institutions play a key role in the success of this guarantee, as the reduced risk makes lending to women, especially those in the informal sector, more attractive and less expensive.

The Gender Smart Investing Initiative by the European Investment Bank (EIB) provides partial coverage of potential loan defaults by allocating at least 30% of its credit lines towards gender-focused initiatives, thus alleviating the financial risk for lenders. As a result, other lenders in the Gender Smart Investing Initiative become more willing to offer mortgages to female borrowers who might otherwise face barriers. In the long term, this guarantee mechanism enables the provision of more favourable loan terms, such as lower interest rates and extended repayment periods.

Overall, embedding the gender-specific loan default guarantee within the GAHF model would offer a comprehensive solution to the housing finance challenges faced by women in Kenya. By reducing financial risks for lenders, it would expand access to mortgages and rent-to-own schemes, empower women to achieve homeownership, and encourage developers to increase the supply of affordable, sustainable housing.

4. Other Considerations for Gender-Specific Products

During the webinar held in collaboration with the Kenya Bankers Association (KBA), financial institutions in Kenya, and other key stakeholders, various strategies were discussed to increase the uptake of housing loans among women and de-risk lending to real estate developers. These considerations focus on alternative approaches and mechanisms to incentivize lending and overcome the challenges that have historically limited access to housing finance for women and real estate developers in Kenya.

4.1. Use of Alternative Credit Scoring Mechanism for Women

Traditional credit scoring methods often overlook women, particularly those with informal or limited credit histories, making homeownership challenging. Alternative credit scoring leverages non-traditional data sources to provide a more comprehensive assessment of creditworthiness. This includes the use of non-traditional data, such as mobile phone usage and utility payments, to assess creditworthiness. These alternative methods offer a more inclusive view of women's financial situations, making it easier for them to access mortgages and rent-to-own schemes. By integrating these approaches, financial institutions can better support women, especially those in the informal sector, enhancing their chances of homeownership.

4.2. Leveraging Data and Market Intelligence for Real Estate Development

Accurate data and market intelligence are vital for successful real estate development. Without detailed insights, developers risk creating projects that do not meet market needs. Key aspects include demand analysis, housing needs assessment, and environmental considerations. By leveraging comprehensive data and market intelligence, developers can make informed decisions, reduce risks, and create housing projects that effectively address the needs of the target market, particularly women. This approach enhances the viability and success of real estate developments.

4.3. Flexible Repayment Mechanism

A flexible repayment mechanism supports borrowers by providing them with adaptable loan terms that align with their income patterns. Women, particularly those in the informal sector, often face difficulties in accessing housing finance due to irregular incomes that do not fit traditional loan structures with rigid repayment schedules. This mechanism allows lenders to customize repayment schedules based on the borrower’s income fluctuations, reducing the risk of default and making housing finance more accessible.

This approach is particularly beneficial for women with seasonal or unpredictable earnings, as it accommodates their financial realities and helps them maintain a stable credit profile. By offering flexible repayment options such as monthly, quarterly, or bi-annual payments borrowers can select a mechanism that best suits their financial situation. For financial institutions, this reduces the risk associated with lending to women with variable incomes, allowing them to extend credit more confidently. In addition, by aligning this mechanism with GAHF, the approach supports the broader goal of expanding access to green and affordable housing for women across Kenya.

4.4. Green Housing Incentive Scheme

The Green Housing Incentive Scheme (GHIS) is designed to promote the development and financing of environmentally sustainable housing projects by reducing the financial risk for lenders and developers. In Kenya, the adoption of green building practices remains relatively low among developers, largely due to the perceived high costs and risks associated with sustainable construction. The GHIS can play a critical role in encouraging developers to embrace sustainable technologies. By offering financial support that covers up to 40% of the construction value, the incentive makes green housing projects more attractive and feasible, particularly in a market where the perceived costs of sustainable construction can be a deterrent.

For women, this incentive provides access to affordable, energy-efficient housing, leading to improved living standards and long-term cost savings. Developers benefit from reduced financial risks, enabling them to secure funding more easily for green projects, while financial institutions gain from a more diversified loan portfolio with lower default risks in the green housing segment. The green housing incentive scheme thus serves as a transformative tool that aligns with both national and international sustainability goals, fostering sustainable development within Kenya's housing sector.

4.5. Revenue Assurance for Real Estate Developers

A revenue assurance is a financial pledge provided to developers that ensures they will receive a minimum level of income from their housing projects. By covering up to 45% of the projected rental income or sales revenue, this option assures developers of a stable income even in cases where market demand is uncertain or lower than expected. This assurance not only mitigates the potential financial losses but also makes real estate projects more attractive to lenders, who are more likely to extend credit when revenue risks are minimized.

For GAHF, implementing revenue assurance can be a transformative approach to boosting the supply of affordable housing in Kenya. Developers, particularly those focused on green and sustainable projects, would be more inclined to invest in affordable housing with the security of assured revenue. This mechanism would encourage the development of more housing units, addressing the supply gap in the market, and ultimately benefiting women who are often underserved in the housing sector. By ensuring developers can proceed with confidence, revenue assurance supports the broader goals of increasing the availability of affordable, sustainable housing in Kenya.

5. An analysis of the applicability and acceptability by local finance institutions and end-users.

The webinar of 6 August 2024, held in collaboration with the Kenya Bankers Association and other stakeholders, aimed to address the pressing challenges and opportunities within the housing finance sector, specifically focusing on women borrowers in Kenya. The GAHF model was at the centre of these discussions, to promote sustainable and inclusive housing solutions. Through interactive sessions, including Slido polls and discussion questions, participants provided valuable insights into the current landscape, challenges, and potential strategies for enhancing financial inclusion and supporting women in the housing market. This summary captures the comprehensive analysis of de-risking options, gender-specific guarantee models, and the overall applicability and acceptability of the GAHF model. It highlights the key voting results and discussion points, offering evidence-based findings to inform future initiatives and policies.

Aspect	Applicability	Acceptability
De-risking Options	**Performance and Default Guarantees**: These are highly applicable for reducing risks in lending to women without formal credit histories. Performance and default guarantees were highlighted as crucial during discussions. They provide financial security to institutions, encouraging increased lending. **Alternative Credit Assessments**: Incorporating mobile phone usage, utility bill payments, and informal business records as alternative data sources to assess creditworthiness.	**High Acceptability**: Financial institutions showed high interest in performance and default guarantees to reduce lending risks. Government and development finance institution support would enhance acceptability. Alternative credit assessments are currently underutilized, with only 14% of institutions using them, but there is potential for growth with increased training and awareness.
Gender-Specific Guarantee Models	**Tailored Financial Products**: Development of products specifically designed for women borrowers, especially those in informal sectors. **Community-Based Guarantees**: Using community savings groups (chamas) as a form of guarantee. **Income Stabilization Guarantee:** temporary financial relief (6 to 12 months) to ensure continued payment of housing obligations, thereby reducing the risk of default for borrowers and enhancing the stability of the demand-side housing market. **Graduated Guarantee:** Flexible guarantee structure with a high initial coverage of circa 80% of the loan amount and gradual reduction encouraging borrowers to	**Moderate Acceptability**: Financial institutions recognize the importance of tailored products but face challenges in development. Currently, 83% of institutions lack such products. Community-based guarantees are promising but require institutions to adapt their risk assessment frameworks. Market education efforts are necessary to enhance product awareness among potential women borrowers, especially those in informal and low-income sectors.

	maintain regular payments and build credit profiles. **Gender-Specific Loan Default Guarantee:** covering up to 70% in the event of a default, thereby reducing the lender's exposure to loss. **Market Education**: Increasing awareness among women borrowers about available financial products through forums and roadshows.	
GAHF Model	**Concessional Finance for Green Homes**: The model leverages concessional finance to support green affordable housing development. **Regulatory Support**: Need for streamlined regulations to facilitate green housing finance. **High Initial Costs**: Addressing the high initial costs of green construction through subsidies and incentives.	**High Potential**: Financial institutions are interested once regulatory (25%) and cost barriers (42%) are addressed. The model is attractive due to potential long-term environmental and economic benefits. End-users show growing interest in sustainable housing solutions. Government incentives and technical support are crucial for increasing the adoption of green housing finance products. Enhancing consumer awareness of the long-term benefits of green homes is essential for market acceptance.
Technical Assistance	**Training on Gender-Sensitive Lending**: Providing training to financial institutions on the importance and methods of gender-sensitive lending practices. **Product Development Support**: Assisting institutions in developing tailored financial products for women. **Marketing Strategies**: Developing effective marketing strategies to reach potential women borrowers.	**Moderate to High Acceptability**: Training on gender-sensitive lending and product development support is highly valued (38%). Institutions recognize the need for effective marketing strategies to reach potential women borrowers. Support from the government and development finance institutions in the form of policy incentives, tax breaks (29%), and technical support (29%) is critical for improving acceptability. Financial institutions are also interested in cheaper funding sources (14%) and guarantees (29%) to facilitate lending.

6. Market Opportunity for GAHF

6.1. Product Development & Financial Inclusion

The GAHF model presents a significant opportunity to enhance financial inclusion by offering tailored products that cater specifically to women, particularly those in the informal sector. The webinar revealed that 83% of financial institutions currently lack such products thus creating an opportunity for GAHF in partnership with various players in the Kenyan market, to develop unique gender-centric housing finance products which will be supported by some of the identified guarantee products.

The webinar also revealed that a staggering 86% of financial institutions do not currently integrate alternative credit assessments for women lacking formal credit histories. This gap highlights the potential of the GAHF model to address these challenges by ensuring that participating institutions in the GAHF guarantee schemes (mortgage or rent-to-own) utilize non-traditional data sources, such as mobile phone usage and informal business records, as part of the creditworthiness assessment for women borrowers. By doing so, the GAHF model can increase homeownership among women, a crucial step towards achieving gender equality in economic participation.

6.2. Growth Potential

The green affordable housing market in Kenya presents significant growth potential, driven by the rising demand for both sustainable living solutions and affordable housing. However, the recent webinar highlighted key barriers that could impede the market's development. Notably, 42% of the financial institutions identified high initial costs as a major obstacle in integrating green affordable housing finance loans into their existing loan product offerings, while 25% of the participants also identified regulatory challenges as a concern. Despite these barriers, there was a strong sense of optimism among participants about the Green Affordable Housing Finance model's ability to enable financial institutions to establish themselves as leaders in this emerging market. The adoption of the GAHF model could allow institutions to distinguish themselves by catering to the increasing consumer interest in sustainable and affordable housing, thereby securing a competitive edge.

6.3. Sustainability

Sustainability is a core component of the GAHF model, which promotes eco-friendly construction practices aligned with global sustainability goals. Webinar participants highlighted market demand (33%) as both a challenge and an opportunity in integrating green affordable housing finance. The GAHF model's emphasis on sustainable construction not only contributes to environmental conservation but also enhances the long-term affordability and durability of housing units. By investing in sustainable practices, financial institutions can play a pivotal role in reducing the environmental impact of housing development while providing durable, cost-effective homes for low-income families. This dual focus on sustainability and affordability aligns with broader global trends, making the GAHF model a timely and relevant solution.

6.4. Implementation Strategy

Generally, the successful implementation of gender-specific guarantee products within the GAHF model requires partnerships, capacity building, and monitoring and evaluation (Christoffer,2024). Through partnerships with financial institutions, real estate developers, and government bodies, the GAHF model can access the necessary capital from financial institutions, expertise from real estate developers, and regulatory support from the government that are key to the development of innovative housing finance solutions.

Furthermore, capacity building is vital for creating an inclusive housing finance system. Stakeholders need training on the benefits and implementation of gender-specific guarantee products. Alternative credit scoring, which uses non-traditional data like mobile phone usage and rental histories, offers a more inclusive assessment of women's creditworthiness, particularly those in the informal sector. By understanding and adopting these methods, financial institutions can better serve women borrowers. In addition, developers can use market intelligence to design projects that meet the actual needs of women borrowers, ensuring financial viability.

Monitoring and evaluation form another crucial element of the implementation of these gender-specific products into the GAHF model as it provides the data needed to refine these products continuously. This ensures that the GAHF model remains responsive to the evolving needs of women borrowers, enhancing the model's overall effectiveness. The adaptation and improvement of these products rely on the availability of robust monitoring and evaluation mechanisms (Christoffer, 2024). As the needs of women borrowers evolve, there is a need to identify best practices and areas for improvement through regular data collection and analysis. In addition to securing support from stakeholders, the GAHF model can maintain a focus on impact measurement to demonstrate the value of gender-specific guarantees.

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8. APPENDICES

8.1 Profile of the Webinar Participants

Group	Represented Organisations*
Financial Institutions	• NCBA Bank Kenya PLC • Co-operative Bank of Kenya Limited • Housing Finance Corporation • Kenya Mortgage Refinance Company
Real Estate Developers	• Women In Real Estate (WIRE) Kenya
Other Organisations	• Financial Sector Deepening Kenya • Ecowall Ghana Limited • Reall • Protos Capital • Agusto & Co. • Kenya Green Building Society

**30 participants attended out of the 80 registrations for the webinar.*

8.2 GAHF WEBINAR QUESTIONS

Part 1: Financial Institution's Role in Supporting Women to Own Houses in Kenya

Slido Questions

1. Does your institution currently have any housing finance products specifically designed for women?
   (a) Yes
   (b) No
   (c) In development

2. What are the main challenges your institution faces in scaling up the delivery of affordable housingunits in Kenya, specifically for women borrowers? Select all that apply.
   (a) High interest rates
   (b) Slow approval processes
   (c) Lack of tailored financial products
   (d) Low demand

3. What challenges do you see in integrating green affordable housing finance loans into your existingloan product offerings?
   (a) Regulatory challenges
   (b) High initial costs
   (c) Market demand
   (d) No clear environmental benefits

4. Does your institution currently integrate alternative credit assessments to evaluate

thecreditworthiness of women borrowers who lack a formal credit history?
(a) Yes
(b) No
(c) In development

Discussion Questions

5. What can be done to ensure that your housing finance products are known to potential womenborrowers, especially those in informal and low-income sectors?

6. What alternative data sources (such as mobile phone usage, utility bill payments, informal businessrecords, etc) would be most valuable for assessing the creditworthiness of informal sector women borrowers?

Part 2: Incentives For Increased Uptake of Housing Loans to Women in Kenya

Slido Questions

1. What types of technical assistance would be most beneficial for your institution to better servewomen borrowers in the housing finance sector? Select all that apply.
(a) Training on gender-sensitive lending
(b) Product development support
(c) Marketing strategies
(d) All the above

2. What type of support and collaboration would your institution require from the government, development financial institutions and partners to grant more loans to women for green affordablehousing? Select all that apply.
(a) Policy incentives
(b) Direct subsidies
(c) Tax breaks
(d) Technical support
(e) Cheaper Funding Source
(f) Guarantees

Discussion Questions

3. What specific incentives would make your institutions offer more flexible loan terms and reducedinterest rates to make mortgages and rent-to-own plans more accessible to women?

4. What specific incentives do you think would be most effective in reducing the cost of capital fordevelopers to spur more affordable housing units?

Part 3: Derisking Mechanisms for Banks to Avail Loans to Women in Kenya For Housing

Slido Questions

1. Would your institution be interested in receiving grants or incentives to specifically lend to womenfor green affordable housing projects?
   (a) Yes
   (b) No
   (c) Maybe

2. How likely are you to engage in a program that offers construction guarantees to developers tosupport affordable housing for rental, tenant purchase, and mortgage-based schemes?
   (a) Very likely
   (b) Likely
   (c) Unlikely
   (d) Very unlikely

3. Which of these financing support mechanisms would appeal to your Institution to lend to womenborrowers for affordable housing projects?
   (a) plain guarantees (guarantee to cover a portion of the loan amount in case the borrower defaults)
   (b) graduated guarantees (guarantee coverage starts at a higher percentage and gradually decreasesas the borrower demonstrates a consistent repayment history)
   (c) joint liability guarantees (guarantee leverages the collective responsibility of a group to secureindividual loans)
   (d) risk-sharing guarantees (distributing the risk among multiple stakeholders – government, DFIs,Donors)
   (e) blended finance (concessional funds or first-loss capital from DFIs to reduce the overall cost offinancing and derisk the lending)

Discussion Questions

4. What other types of guarantees would help to de-risk lending to women borrowers and incentivizefinancial institutions to expand their housing finance portfolios?

5. What other types of guarantees would help to de-risk lending to developers and incentivize financialinstitutions to develop more affordable housing products?

6. What role do you see for guarantee companies in helping to de-risk lending to women borrowers and real estate developers and at the same time incentivize financial institutions to expand their housing finance portfolios?

Part 4: Other questions – Wrap up segment – Discussion Question

1. How can developers and financial institutions work together to integrate credit assessments for prospective tenants who intend to purchase their dwellings via mortgages or rent-to-own schemes?