



Frankfurt School
of Finance & Management

German Excellence. Global Relevance.



Access to decent shelter is a basic need. It is the first target of the UN Sustainable Development Agenda 2030: making cities inclusive, safe, resilient, and sustainable. This goal must be backed up by adequate financing for housing. Therefore, the provision of appropriate financial services is instrumental in improving living conditions in many countries.

To promote housing finance, Frankfurt School has been engaged in institution and capacity-building programs for several years across the world. Frankfurt School defines housing finance broadly, ranging from housing microfinance to mortgage lending, the provision of affordable housing to the promotion of energy efficiency in residential buildings. The main working areas are defined under two levels - sector and retail.

Sector Level

- Research: designing and conducting market / feasibility studies and housing finance sector reviews

- Program design: providing guidance at the policy level on regulatory aspects of housing finance

Retail Level

- Product development: assisting lending institutions in designing home improvement and home acquisition products
- Capacity building: development of sound lending practices
- Training: offering classroom and on-the-job trainings

Frankfurt School currently implements three projects in Housing Finance:

Tajikistan: financed by KfW, the project targets low and middle-income households in rural areas. Since its launch in 2014 around 5,000 loans for improving housing conditions (home construction, renovation/extension, energy efficiency and purchase) were disbursed to the project beneficiaries. Besides administration

of the project funds, Frankfurt School provided individual assistance to the four partner financial institutions. This assistance included designing appropriate loan products and lending procedures, marketing, risk and NPL management, etc., as well as providing trainings in housing finance and construction technical assistance to bank staff for advising end-advising borrowers in house construction costs.

Armenia: the fourth phase of the KfW sponsored program aims at introducing non-traditional housing finance products – rural housing and energy efficiency housing. In cooperation with Allplan, Frankfurt School developed energy efficiency housing renovation, construction and purchasing loan products. Among others, a tool was developed to estimate and assess potential energy savings. Lending under the project started in 2017.

Nigeria: the aim of the Housing Microfinance Project is to support the development and piloting of new formal housing microfinance products and to demonstrate a sustainable business case. The project is rolled out in three phases: (a) tailored technical assistance to selected Microfinance Banks to develop new housing microfinance products; (b) risk capital as limited soft loans to test the new housing microfinance products; and (c) a line of credit to roll out the housing microfinance products. Currently Frankfurt School is working with the selected Microfinance Banks in implementation of the first phase. The project is administered by the Central Bank of Nigeria and sponsored by the World Bank.