

PROJECT ABSTRACT

PROJECT NUMBER: EC- L1031
Project Name: CTH - Warehousing Facility
IDB PARTICIPATION: US \$ 15 MILLION
DEPARTMENT: STRUCTURED AND CORPORATE FINANCE

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Project Description

The proposed transaction would provide Corporación de Desarrollo de Mercado Secundario de Hipotecas CTH S.A. (“CTH”) with a lending facility of up to US\$15 million (the “Warehouse Facility” or the “Facility”). The Facility would consist of a senior, secured, revolving line of credit (the “Loan”) to be funded by the Bank.

CTH is a mortgage financial institution whose primary mission is to support the development of the Ecuadorian housing sector, by originating and purchasing residential mortgage loans, and the deepening of the domestic capital markets through the structuring and issuance of residential mortgage backed securities (“RMBS”). CTH is seeking the Bank’s support to create the first mortgage loan warehouse facility in Ecuador.

The Bank’s participation in the Facility would enable CTH to continue fostering the development of the Ecuador’s housing finance market. Support for this market is a response to IDB’s country strategy by participating with the government of Ecuador in efforts to close the housing gap through the development of its capital markets. Additionally, MIF has contributed to this project with a feasibility study to develop mechanisms to further incentivize the mortgage origination and securitization with CTH.