

Public Information Summary

Host Country	El Salvador
Name of Borrower	La Hipotecaria S.A. de C.V.
Project Description	A corporate working capital loan to a mortgage finance company serving low and middle-income families in El Salvador, to support unforeseen liquidity needs resulting from the COVID crisis.
Proposed DFC Loan	\$10,000,000
Total Borrower Exposure	\$10,000,000
U.S. Sponsor	N/A
Policy Review	
U.S. Economic Impact	None
Developmental Effects	This Project will have a positive developmental impact on the host country through support for a mortgage financier impacted by Covid-19, as the pandemic has hampered mortgage borrowers' ability to pay on existing loans, as well as acquire new mortgages. The company is a mortgage lending specialist in the region, and has used previous 1 BLH is not a current direct obligor of DFC, but rather, is the issuer and servicer of several mortgage-backed securities for which DFC is the guarantor. 2 S:\Projects\El Salvador\RFC 2020093 La Hipotecaria Covid 9000104415 DFC support to securitize mortgages in El Salvador. Though this Project will not support securitizations, a portion of funding is expected to involve new mortgages in a country where the housing deficit is estimated to be over a half a million units for a population of six million. In addition to a portion of new mortgages, this loan will help the company maintain its mortgage portfolio of low-middle and middle-income homebuyers, almost half of whom are women.
Social and Environment Assessment	Mortgage financings are screened as Category C projects under DFC's environmental and social policies and guidelines. Environmental, health, safety and social impacts are minimal. However, in order to ensure that the Borrower's loans are consistent with DFC's statutory and policy requirements, proceeds of the DFC loan will be subject to conditions regarding use of proceeds. The Borrower will be required to comply with applicable national laws and regulations related to environmental and social performance, including requirements related to healthy and safe work environment.