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| Host Country(ies) | India |
| Name(s) of Borrower(s)/Guaranteed Party(ies) | Motilal Oswal Home Finance Ltd (“MOHFL”). |
| Project Description | This Project will finance the expansion of MOHFL’s portfolio of mortgage and home equity loans to low-income borrowers across India. |
| Proposed DFC Loan/Guaranty | Up to \$50,000,000 |
| All-Source Funding Total | \$50,000,000 |
| Policy Review | |
| Developmental Objectives | The Project aims to reduce poverty and gender inequality by providing a source of financing for affordable home loans that will target lower income Indians. With its target on rural areas, and underserved members of the Indian population, the Project aims to ensure that approximately 1,600 new borrowers join the formal financial system and that more than 4,500 loan recipients live in homes with proper water connections, sanitation, and an in-house toilet. By focusing mainly on marginalized groups in rural areas of India, the Project is expected to have a positive economic inclusion impact and produce broader public health and economic benefits. |
| Environment and Social Assessment | <p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC loans to banks for the purposes of mortgage lending are screened as a Category C for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of those downstream investments have been pre-screened as Category C and further review and consent is not required for these investments.</p> <p>To ensure that MOHFL investments are consistent with the DFC’s statutory and policy requirements, the Loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC’s ESPP, MOHFL is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2. A desk-</p> |

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| | <p>review based due diligence assessment indicates that because the Project will use DFC support for mortgage lending in India, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>MOHFL lacks the required Environmental and Social Risk Policy. MOHFL has basic grievance mechanisms and human resources policies commensurate with its investment strategy, but will require some strengthening regarding its environmental and social risk management policies in order to meet the DFC's 2020 Environmental Policy and Procedures.</p> |
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