

Host Country	Nigeria.
Name of Borrower	Nigeria Mortgage Refinance Company Plc.
Project Description	The Borrower will use the proceeds of the Loan to make new loans to eligible primary lending institutions (“PLIs”) by refinancing or prefinancing eligible mortgage loans to eligible mortgage borrowers across Nigeria with at least 20% of the Loan proceeds targeting mortgage borrowers in the informal and low-income market segments.
Proposed DFC Loan	\$200,000,000.
All-Source Funding Total	\$228,571,429.
Policy Review	

Developmental Objectives	<p>With more than 236 million inhabitants, Nigeria has the largest population in Africa and is the sixth most populous country in the world, but has a home ownership rate of just 25%, and less than 33,000 outstanding mortgage loans in aggregate. The country's current macroeconomic environment of high inflation and interest rates has pushed millions of Nigerians into poverty and challenged the ability for most households to secure affordable financing to ensure their family members are adequately housed. This deficit disproportionately impacts women, who face considerable barriers in accessing land, property, and financial services. In Nigeria, men are more than three times as likely to own a house or land as women. This disparity consequently compromises a woman's ability to access credit facilities, among other financing products, due to lack of sufficient collateral.</p> <p>In response to these challenges, the Project seeks to provide liquidity to Nigeria's affordable mortgage market through supporting the only Central Bank of Nigeria-licensed mortgage refinance company. Proceeds from DFC's support will be used to on-lend to PLIs with the objective of refinancing or prefinancing mortgage loans on affordable and accessible terms for homeowners. As part of the Project, approximately 20% of the proceeds from DFC's loan will be allocated to informal and low-income borrowers and an estimated 40% of the mortgages to be refinanced or prefinanced will be those underwritten to women as borrowers or co-borrowers. Given the Project characteristics, the Project has received a score in the Highly Impactful tier of DFC's Impact Quotient.</p>
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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 direct loans to financial institutions for 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 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 the Borrower’s 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, the Borrower 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-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of its mortgage lending portfolio in Nigeria, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize private security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time.</p> <p>The Borrower has an adequate environmental and social policy as described in IFC PS 1, grievance mechanisms, and human resources policies commensurate with its investment strategy. However, the Borrower will be required to provide the DFC evidence that private security guards are trained in accordance with requirements of IFC PS 4 to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
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