



**HOUSING FINANCE FORUM:
Uganda, July 11-12, 2018**

**Expanding Access to Affordable
and Adequate Housing in
Sub-Saharan Africa**



OPPORTUNITY BANK

- Opportunity Bank (Obul) started in 1995 and has been acquired by MyBucks (49%), a South African based fintech company acquired 49% of the shareholding.
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- The partnership between OBUL and Habitat for Humanity International developed a micro housing loan product, called “**Zimba Loan product**”.



Zimba Loan Product Features

Loan Product Name	Zimba Loan
Target Group	All existing and new borrowers with demonstrated capacity and demand zimba loan in the rural, periurban and urban centres of Uganda. Applies to residential houses for both group and individual clients.



Product: Terms	
Clients	110 in March 2016 to 1,490 in June 2018 (13%)
Loan Portfolio	USD 61,196 in March 2016 to USD 2,676,806 June 2018
Average Loan Size	USD1,887
Average Loan Tenure	24 months with maximum term of 60 months
Interest Rate	20%-36% pa
Collateral	Group Guarantee, Chattels, Customary/unregistered land ("Kibanja") and/or Land titles.
Repayment frequency	Mainly Weekly and Monthly but depending of the customers cashflow.
Loan Purpose	Land Purchase, Building and Construction, Renovation, Fitting and fixtures, Wiring and power Construction, Water and Sanitation installations, etc.
Place	We piloted with 4 branches but rolled out in the last quarter of 2017 to all our 22 branches and service centres.
Process	All loans are orinated from the branches and approval is in accordance to the internal limits with a majority of the loans approved at the branches. Appoved loans are disbursed to customer's accounts in tranches in accordance with the bills of quantities to avoid diversion.
Promotion	Promotional material is mainly in form of brochures and are availbale at our business centres/branches.
People	All relationship officers are trained and allowed to sell and manage the product but we have product champions in each of our branches and at head office.



Critical Success Factors	
Demand Driven Product Features	<ul style="list-style-type: none"> Product was refined after working through the customer journey and understanding a pain point. Especially around maximum amounts and loan tenure. Commitment and support of the Senior Leadership of the bank towards the product.
Housing Support Services	Especially linkages to surveyors to support in processing land titles
Incremental construction	Customers with small cash flow can build in phases
Flexibility on Requirements	Ability to consider nontraditional collateral like unregistered land (Kibanja) and group guarantee.



Main Challenges	
Collateral Documentation	Lack of land ownership documentation
Loan Capital	Lack of long term and/or cheap funding
Frauds and forgeries	This relates to mainly unregistered land and is perpetuated by the local authorities.
Main Lessons Learnt	
Customer Journey Mapping	Product must be demand driven and should address the customer pain points.



- Download The Business Case for Housing Microfinance.
- Learn more about the Build Assets, Unlocking Access program.

www.habitat.org/tcis

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