



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

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



CENTENUARY BANK

- Centenary Bank assumed operations in 1983 and was finally registered as a Commercial bank.
- Over three decades, the bank has a customer base of 1.5M depositors supported by 70 branches and 172 ATMs.
- Of the 200,623 borrowers 95% are microfinance clients.



Housing Microfinance

- Diversion of funds for housing concerned the bank.
- A microhousing loan product was developed called the **Home Improvement** loan product.
- The bank refined this product to meet the growing needs of the customer base.
- Additional products were introduced to serve renewable energy, land registrations and surveys.





Terwilliger Center for
Innovation in Shelter



CenteHome Loan Product

The partnership between Centenary Bank and Habitat for Humanity International developed a microhousing loan product, called **CenteHome** loan product.



CenteHome Loan Features

Specifics	Description
Product name	CenteHome Loan Product
TARGET MARKET(S)	Existing and new clients; primarily micro-entrepreneurs and employees both in rural and urban areas.
TYPE OF LOAN	Individual loan
PURPOSE	Construction of houses on incremental/progressive basis to habitable or decent standards for low income earners
LOAN SIZES	\$27 - 8,000 Avg. \$ 1,553
LOAN TERMS	Up to 60 months Avg. 18 months
GUARANTEES/SECURITY	Personal guarantees and Chattles under \$1,333. Primarily secured unregistered land/customary land – “Kibanja”. Secured with registered land title above \$4,000.
FIXED INTEREST RATE	25% declining
INSURANCE	0.45% of Loan Amount

Exchange rate: UGX 3,750

Critical Factors for the Success of the CenteHome Loan

- Support from Habitat for Humanity in development and roll out of the product that meets the housing needs of the target customers.
- Training of both the branch and head office credit teams on product knowledge and delivery mechanism.
- Rolling the product in phases, learning and improving.
- Selecting champions and setting targets for each loan officer.



Critical Factors for the Success of the CenteHome Loan

- Assigning a dedicated Housing Loans Supervisor and Manager to drive the growth and quality of the new product.
- High demand of the product due to the lack of appropriate housing credit products in other formal financial institutions.
- Centenary Bank has the widest branch network across the country with over 800 credit officers.
- Availability of fund for medium term lending.
- Bank's strong background in delivery of microfinance loans.



Lessons Learned

- There is high emotional attachment of the clients to the houses as a motivation to service loans which results in quality portfolio.
- Disbursement of funds in phased manner according to the stages of construction to ensure efficient utilization of the loans.
- Provision of financial services in combination with housing support services increases customer satisfaction and retention.
- Partnerships with other institutions in the housing value chain.
- High demand of housing microfinance due to the shortage of decent housing for the low income earners.
- Availability of land, tenure system and building materials.



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

www.habitat.org/tcis

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