



**Terwilliger Center for
Innovation in Shelter**



Amuthavalli's journey towards a secure home

Client story compiled by
the Terwilliger Center for Innovation in
Shelter and LaRaksha



This client story details the journey of Amuthavalli Vairakannu and her family in acquiring a secure roof for their home following a partnership with LaRaksha, a non-profit Microfinance Institution that provides smart roofing and housing loans to low-income households in rural and coastal belt areas. The family approached LaRaksha after they saw flyers and posters about the MFI's roofing loan product and applied for a loan to replace their old thatched roof. Following an assessment and profile review, the family not only had their loan approved, but also counted with LaRaksha's support offering guidance on the steps to build their roof adequately and safely. LaRaksha also provided training to local masons and fabricators on the technical details for different types of roofs, in collaboration with manufacturers, to ensure that their clients have options on various roof types and local skills for roof fixing.



Roofing loan product validation session

More than a roof

LaRaksha newest client is a family of four: Amuthavalli Vairakannu, aged 54; her husband, Vairakannu, aged 68; and their children Ezhilarasan, aged 35 and Gomathi, aged 25.

The family lives in Vedaranyam village, Nagapattinam District in Tamil Nadu. Nagapattinam is located on the seacoast of India's Bay of Bengal, an area prone to frequent cyclones and floods which often damage local houses, especially the roofs. Almost 60% of Nagapattinam's population live in low-income households.

Amuthavalli is a housewife, while Vairakannu is a retired headmaster at a government school, earning a monthly pension of Rs. 35,000. The couple's son, Ezhilarasan, works as a teacher in a government school

Habitat for Humanity

Driven by the vision that everyone needs a decent place to live, Habitat for Humanity began in 1976 as a grassroots effort and has since grown to become a leading global non-profit, working in more than 70 countries. In the Asia-Pacific region since 1983, Habitat for Humanity has supported millions of people to build or improve a place they can call home. Through financial support, volunteering, or adding a voice to support affordable housing, everyone can help families achieve the strength, stability, and self-reliance they need to build better lives for themselves. To learn more, donate or volunteer, visit [habitat.org/asiapacific](https://www.habitat.org/asiapacific).



Roofing loan product design session

and Gomathi is studying for the Tamil Nadu Public Service Commission.



Amuthavalli and her husband in front of their thatched roof house

The family had been living in a house with a thatched roof for over 11 years, which was in need of an urgent renovation due to wear and tear. They suffered with leakages during monsoons and had problems with insects that got in the house through the thatched roof. They couldn't replace the roof earlier due to regular household expenditures including education, health and other daily costs, which did not allow the family to save for home improvements.

To address housing challenges in the region, LaRaksha approached Habitat's Terwilliger Center to initiate collaborative efforts in assessing housing constraints of people living in the coastal districts of Tamil Nadu. The Terwilliger Center assisted LaRaksha in designing and pilot testing a unique roofing loan product, able to cater to both mid-and-long-term roofing requirements of the community. LaRaksha also offered training to local masons and builders to improve their skillset and ensure proper application of different type of roofs, in collaboration with roofing manufacturers and suppliers in the area.

LaRaksha initiated a roofing loan campaign in Vedaranyam with the help of NAMCO, a local NGO and their business partner in the Nagapattinam district. Amuthavalli and Vairakannu attended awareness sessions conducted by LaRaksha on their roofing loan product and other roofing solutions, and also received pamphlets with information about the loan. Upon expressing interest in taking a loan for roof replacement, the family was visited by a LaRaksha engineer, who inspected the house existing structures and suggested a set of safe and durable roofing types that would be appropriate for their home's foundation and walls. He advised the family in choosing a strong and disaster resilient roof, that could protect them from high winds, heat, rain and noise.

Habitat's Terwilliger Center for Innovation in Shelter

Through the Terwilliger Center for Innovation in Shelter, Habitat for Humanity explores strategies for improving low-income households' access to affordable financing, quality labour and materials – all core elements, and often constraints, in a household's ability to access adequate shelter. To address these market constraints, the Terwilliger Center focuses on making building materials and housing finance solutions accessible, available and affordable, improving construction labour markets and practices, and creating a thriving ecosystem for innovation and affordable housing entrepreneurs. To learn more, visit [habitat.org/tcis](https://www.habitat.org/tcis).



Engineers doing a technical assessment of Amuthavalli's house

LaRaksha roofing finance campaign also have the goal of fostering women's empowerment, by positively influencing their decision-making power and enhancing their overall socio-economic status. They believe microfinance to be an important path for low-income families to overcome exploitation and create economic self-reliance in the rural poor, particularly among women.

Likewise, LaRaksha offered its financial services to Amuthavalli, who provided the necessary documents and initially applied for a loan of Rs. 1,00,000 (approximately US\$ 1,330). A Credit Officer then visited their house to assess the loan's requirements and eligibility. Once the Credit Officer and the Central Credit team analysed the documents and performed the home visit, the family was found eligible for a loan which could meet their objective of replacing the thatched roof with a clay tiled roof, and offered a loan of Rs. 54,000 (US\$ 720).

A first tranche of 50 percent of the loan was initially disbursed. With this amount, the family purchased roofing materials and began construction. Once construction was started and verified, the second tranche of the loan amount was disbursed.



Amuthavalli's house after the new roof was installed.

LaRaksha

LaRaksha was conceptualised by A Ramesh Kumar and Usha Ramesh Kumar as an organization dedicated to the empowerment of rural and semi-urban low-income families through financial assistance for education, vocational training, micro-enterprise, household infrastructure, purified water and health care. Ramesh Kumar is a pioneer in rural microfinance in India. He has worked for over three decades in the banking industry and has a decade of experience in working with organizations that focus on rural development and housing microfinance. He finds himself drawn to the cause of financing the rural semi-urban communities, that are otherwise often ignored by the financial policies of banks and larger financial institutions. LaRaksha is currently operational in Tamil Nadu, West Bengal and Manipur, and is looking at expanding to Karnataka, Odisha, Telangana, Maharashtra, Tripura, Assam and Mizoram in the coming financial year.

LaRaksha's vision and mission is to provide opportunities to rural households that lack the access to financial support, to become self-sufficient and sustainable enough to lift themselves out of poverty.

LaRaksha also provided information on quality roofing solutions and gave appropriate training, through an engineer, on work practices for clay tile installation to the family, as well as to the hired roofing contractors. These efficient practices helped to ensure the longevity of the roof and its good quality. Through the loan, LaRaksha played a prominent role in the family's dream of having a secure and comfortable house with a sturdy roof.

They work to design and deliver innovative financial solutions to address the unmet needs of families, particularly for weaker sections of the society in rural and semi-urban areas.

Amuthavalli and her family became proud owners of a home with a structured roof thanks to an affordable loan, combined with technical guidance on choosing and installing the most appropriate materials for their house. The family finally achieved much-needed relief during the ensuing monsoon season, with no water leakages and no insects entering the house. They also enhanced their social stature in the community by changing from a thatched roof to a beautiful tiled roof.

Way forward

The development of adequate, affordable roofing solutions can improve the lives of those with inadequate shelter, while also benefiting the local economy. The economic impact and effect of affordable and suitable housing solutions, such as roofing, extends beyond the construction stage well into the years, as new homes or rental units are occupied by rural residents. Making adequate roofing finance solutions accessible to people with lower income in rural areas helps families who cannot afford to build a new house to improve the quality of their shelter. Finally, appropriate solutions towards durable, safe and disaster-resilient roofs can particularly improve the living conditions of those living in disaster-prone coastal areas.

LaRaksha has already assisted 50 households in Tamil Nadu's disaster-prone coastal districts of Nagapattinam and Cuddalore in building new roofs on a pilot basis. The MFI is also gearing up to expand their outreach to more low-income households in other coastal districts in Tamil Nadu and neighbouring States. Habitat's Terwilliger Center is playing a central role in forging partnerships between innovative roofing solution providers and LaRaksha, so that their clients will have stronger, cost-effective and disaster resilient roofs. As demonstrated in this story, partnerships between roofing manufacturers and MFIs will continue to be a mutually beneficial and sustainable business model.



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