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INSTITUTO NACIONAL DE LA VIVIENDA

PROYECTO FONDO AYUDA MUTUA  
 PUEBLO SANTIAGO, REP. DOM.  
 TEL: 603-4000 y 601-4177

HOUSE IMPROVEMENT LOAN PROGRAM  
**HOUSE IMPROVEMENT LOAN PROGRAMME**  
**WEEKLY PLANNING OF ACTIVITIES (PM 2b)**

DEPT. Technical MONTH/WEK: 11-16/4/88 NO. 15

NO.	ACTIVITY	M	T	W	T	F	S	S	COMMENTS
1	<i>Evaluation new applications:</i>								
	112, 113, 114, 116	-							<i>Evaluation 115 if submits all supporting documents</i>
	117, 120, 121	-							<i>118, 119 must present lease contract</i>
2	<i>Construction inspection:</i>								
	076, 078, 089	-							
	090, 095			-					
3	<i>Problem solution:</i>								
	053, 064, 072, 086			-					<i>with cilenio</i>
	098, 105, 107				-				<i>with Leonel; if I don't have to accompany DG</i>
4	<i>Final evaluation-approval:</i>								
	065, 069	-							
	085, 088					-			
5	<i>Disbursement approval</i>								
	079, 087, 095, 099		a			b			<i>a - 095; b - others</i>
	103, 104, 108, 109						-		
6	<i>Meeting with drivers</i>						c		
7	<i>Team meeting</i>	x							
	<i>On Thursday morning I must go to the dentist.</i>								

DATE: 11/4/88  
 DATE: 11/4/88

SIGNATURE: \_\_\_\_\_  
 APPROVAL BY: Eduardo Martinez  
 PROJECT DIRECTOR



TO:	Eng. Eduardo Martinez, Project Director, Special Fund, Self-help Initiatives
FROM:	Eng. Hugo Sanchez, Advisor to the GTZ
SUBJECT:	Distribution of responsibilities among the technical staff of the project "House Improvement Loan Program"
1.	During the last supervisory visit to the project, it has been noticed that technical evaluation of applications and super-vision of construction works are distributed I unequally among the 3 members of the technical team including the Technical Supervisor, the Assistant Engineer and the Foreman.
2.	As a result, the Technical Supervisor is permanently over-burdened, whereas the other two are under-utilized. We have detected several cases of inadequate supervision and control during the last four weeks.
3.	Consequently, we would like to propose to conduct next week a time-study to 1 determine rational use of time of the engineer Carlos Baez and the foreman Mario Cadenu.
4.	Most probably, it will be useful to clearly distinguish functions and distribute them as follows: <ul style="list-style-type: none"> <li>– Technical evaluation of applications -all 3 team members; however, the forms should be confirmed by the Technical Supervisor, who should also distribute the work each day.</li> <li>– Construction supervision – Engineer</li> <li>– Material dispatch supervision -- Foreman</li> </ul>
Hugo Sanchez Technical Advisor to the GTZ	

### **3. Weekly planning of activities (form PM2)**

The weekly planning of activities is prepared by the Team members (departments), based on the monthly planning of activities and its weekly updating. Not all the Team members need to prepare a weekly plan. The accountant, the lawyer, the storekeeper and the secretary have a routine schedule that does not require a specific plan. However, they ought to know the schedule of the technicians and social workers in order to identify their own workload and prospective intervention (e.g., lawyer).

The weekly plan of activities is prepared by the project's Team every Monday between 8:00 and 9:00a.m. In addition to the on-going supervision and disbursement of material to borrowers, the Team continuously receives and processes new applications.

### **4. Monthly evaluation of project implementation (form PM3)**

The monthly evaluation of project implementation and the follow-up of the Team's recommendations are the essential monitoring instruments of the project. In the course of the work and the weekly meetings, the individual Team members mention and discuss a variety of problems and issues. Many of these are minor and can be solved on the spot. There are also difficulties that are symptomatic and require more serious considerations, decisions and follow-up.

Where problems are not articulated and discussed with the object of identifying solutions or alternatives, the same issue is likely to be raised in every meeting of the Team and a feeling of frustration and discontent will ensue, negatively affecting the Team's dedication and work.

The monthly evaluation which takes place together with the monthly planning, involves elements of planning by objectives, that is to say, that the roots of the problems rather than symptoms must be identified, and the indicators and the causes determined. Based on these, the Team can prepare specific recommendations and decide whether these can be implemented based on the collective decisions, follow-up activities can be formulated (form PM4). The project director must ensure that action has been taken by those responsible.

The previous month's recommendations are discussed by the Team during the following month's planning meeting to determine whether they have been implemented.

## 5. Monthly requirements of building materials (form PM 5)

Monthly requirements of building materials are prepared by the project's accountant with the help of the technical supervisor, based on the budgets prepared for the approved improvement applications.

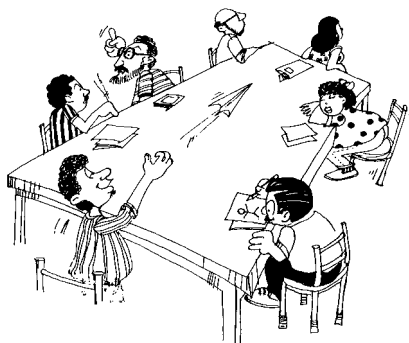
The monthly requirements of building materials are prepared on the last working day of each month, though the accountant may fill in the forms consecutively, as credits are approved by the Loan Committee. In order to allow flexibility and provide for the immediate needs at the beginning of the following month, 20 per cent more materials are requested from Purchase Section.

As in previous cases, loan or borrower numbers are not consecutive, as some applicants might have required longer processing periods.

### Observations on weekly planning of activities 11-16 April 1988 (form PM2 - Model)

- a. Meetings and activities, which require a shorter time, are marked with x.
- b. The project's director was nominated in February 1988 in substitution for the previous one, therefore, this is his eighth weekly plan (form PM 2a).
- c. The technical supervisor meets the project drivers to verify complaints that not all the materials dispatched have arrived at construction site (form PM 2b).
- d. One social worker is always in the office until 7.00 p.m. to give information to interested people, to receive and fill in application forms and to give feedback to the technical staff, the lawyer and the accountant (form PM 2c).

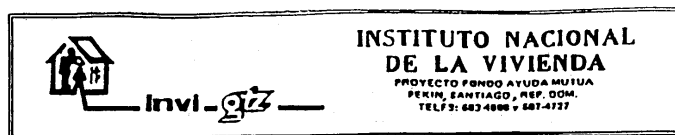
THE DIALOGUE  
WEEKLY MEETING OF THE PROJECT'S TEAM



## HOUSE IMPROVEMENT LOAN PROGRAMME MONTHLY EVALUATION OF PROJECT IMPLEMENTATION (PM2)

DEPT. <u>All (TEAM)</u> MONTH/YEAR <u>4/88</u>		REPORT NO. <u>9</u>	
BASIC PROBLEM	INDICATOR	CAUSE	RECOMMENDATION
1. Delays in signing loan contracts	1.1 In 68% of cases 6 weeks between approval and beginning of construction	1.1 Borrowers cannot find guarantors 1.2 Difficulties in obtaining lease contract from Municipality	1.1. Revise legal requirements 1.2 Examine possibility of introducing Promissory Note to guarantee loans
2. Lower income families do not apply for loans	2.1 80% of applicants have income of more than RDS 600	2.1 Loan period too short 2.2 Interest too high 2.3 Inflation and diminishing real income	2.1 Examine possibility to increase repayment period 2.2 Offer smaller repetitive (consecutive) loans
3. Borrowers are not at home when materials	3.1 Drivers must return 3-4 times to const. site	3.1 Borrowers don't receive written information and forget 3.2 Irresponsibility	3.1 Inform borrowers in writing date of dispatch 3.2 Charge transport costs in case to irresponsible borrowers
4. Not all materials dispatched arrive at construction site	4.1 7 borrowers have complained about it last week	4.1 Dispatch orders are not signed properly 4.2 Lack of control at stores and site	4.1 Insist that all concerned dispatch documents 4.2 Introduce strict and periodic control
5. Delays in completing	5.1 42% of improvement in	5.1 Borrowers have diffi-	5.1 Contract foreman and

construction works	March completed 3-6 weeks later than planned	5.2 Foremen contracted by borrowers are irresponsible 5.3 Self-builders don't have enough time nor experience	builders by project 5.2 Reject builders who did not work for project before 5.3 Train interested borrowers in construction works
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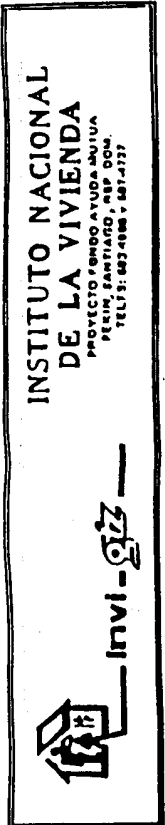


**HOUSE IMPROVEMENT LOAN PROGRAMME (PM4)  
FOLLOW-UP OF TEAM RECOMMENDATION**

MONTH: 4/88 No. 9

No.	Dept.	Recommendation	Decision	Follow-up Action	Responsible	Period
1	Legal	1.1 Revise legal requirements 1.2 Examine possibility of introducing Promissory Note to guarantee loans	1.1 Legal Advisor INVI 1.2 Recommend to DG to establish Committee	1.1-2. Agreement with Legal Advisor and DG; recommendations until 10.5.88	Legal Advisor Project Director	6 W
2	Social	2.1 Examine possibility to extend repayment period 2.2 Offer smaller consecutive loan	2.1 Negative - implies higher subsidies 2.2 Positive	2.2 Revise loan conditions and modalities	Financial Manager Head Office	3 W
3	Tech.	3.1 Inform borrower's in writing date dispatch 3.2 Charge transport costs in cash to irresponsible borrowers	3.1 Positive 3.2 Negative - too risky	3.1 Social worker's should bring letter to approved applicants 3.2 If borrowers are not at home twice - loan is cancelled	Social Workers	Permanent
4	Tech.	4.1 Insist signature of dispatch documents 4.2 Introduce strict periodic control	4.1 Positive 4.2 Positive	4.1 Inform all concerned 4.2 Introduce weekly control - monthly report to Project Director	Tech. Supervisor	Permanent
5	Tech.	5.1 Contract foremen/builders by project 5.2 Reject/builder's who did not work for project before	5.1 Positive 5.2 Negative 5.3 Evaluate feasibility	5.1 Prepare list of available interested builder's 5.3 Examine possibility of cooperation with INFOTEP <sup>(1)</sup>	5.1 Proj. Engineer 5.3 Proj. Director	Permanent

<sup>(1)</sup> The governmental vocational training institute



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P. No. 1

HOUSE IMPROVEMENT LOAN PROGRAMME  
MONTHLY REQUIREMENT OF BUILDING MATERIAL (PM 5)

MATERIAL/LOAN No	UNIT	MONTH / YEAR:												SUB-TOTAL	+ 20%	TOTAL									
		076	077	079	080	081	086	087	088	089	100	101	106				109	110	111	112	113	114	115	116	117
Blocks 12"	U	18	-	423	150	-	540	1001	250	-	598	-	428	428	450	-	-	-	-	70	520	-	5654	1131	6785
Blocks 14"	U	430	220	-	150	700	-	-	-	350	-	-	780	210	610	210	-	-	-	470	123	-	4253	851	5104
Blocks 16"	U	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Steel 3/8	U	25	29	-	42	26	29.5	-	400	-	253	45	37	46	-	25	-	-	-	37	89	-	11084.5	217	1301.5
Steel 1/4	U	-	-	4	-	1.5	0.25	-	2	-	1.5	3	-	-	5	5	-	-	6	0.5	2.5	-	31.255	6.25	37.5
Timber	ft <sup>2</sup>	-	446	198	90	528	-	86	405	126	635	-	-	266	333	-	-	-	132	19	-	4296	860	5156	
Zinc	U	78	13	-	78	13	-	55	-	-	-	10	-	-	16	-	-	-	24	12	20	528	490	98	
Nails	lb.	-	7	-	29	3	-	25	5	4	-	-	6	7	9	-	-	-	13	25	7	6	25	178	
Cement	bag	33	30	-	49	25	28	24	111	12	193	47	111	29	20	35	-	-	34	45	47	-	811	162	
Sand	m <sup>3</sup>	3.0	1.5	2.0	0.5	3.0	2.75	1.5	2.5	1.25	2.0	2.5	2.0	1.5	0.5	1.0	-	-	2.5	3.0	-	33	7	40	
Gravel	m <sup>3</sup>	4.0	2.0	3.0	1.5	5.5	3.5	2.5	3.5	2.0	3.0	3.5	3.0	2.0	1.0	2.0	-	-	4.0	5.5	-	51.5	10	61.5	
Window	U	-	2	-	-	3	-	-	-	-	-	4	-	-	-	2	-	-	-	4	3	-	18	4	
Painting	lb.	-	-	-	6	-	-	-	5	-	-	6	-	-	3	-	-	-	-	2	-	-	22	4	
Wire	lb.	-	-	4	3	-	3	2	2.5	-	-	19	4	7	4	4	-	-	18	4	-	6	80.5	16	

SIGNATURE (PROJECT DIRECTOR):

DATE: 1.3.1988

To:	Director General	2 March 1988	
VIA:	Head, Purchase Section, Technical Sub-director, Sub-director General		
SUBJECT:	House Improvement Loan Program, Santiago Estimates of building material requirements March 1988		
Based on loan applications approved by the General Management, we submit herewith the list of monthly requirements of building materials, the totals of which are indicated below:			
	Material	Unit	Quantity
1.	Blocks 12"	U.	6,785
2.	Blocks 14"	U.	5,104
3.	Blocks 16"	U.	-
4.	Steel Ø 3/8	U.	1,301.50
5.	Steel Ø 1/4	U.	37.50
6.	Timber	ft. <sup>2</sup>	5,156
7.	Zinc	U.	588
8.	Nails	lb.	214
9.	Cement	bag	973
10.	Sand	m <sup>3</sup>	40
11.	Gravel	m <sup>3</sup>	61.50
12.	Windows St.	U.	22
13.	Painting	lb.	26
14.	Wire	lb.	96.50
Eng. Eduardo Martinez, Project Director			

## 6. *Monthly loan project list (form PM 6)*

This form is filled in by the project accountant and enables those responsible to determine whether disbursements correspond to estimated budgets (which, as a rule, include 20 per cent for contingencies). It also serves to determine the value of actually disbursed loans, which usually do not correspond to initial estimates.

In this form, only credits that have been fully executed and the construction completed can be introduced. On-going improvements not yet completed are registered on form PM 7. The corresponding data are taken from the borrower's budget and loan-disbursement file.

In case of excess disbursement compared with budgeted (case 4 and 6 of Model, loans 055 and 057 respectively), credit amounts will have to be renegotiated with the borrower. The proceedings are of complicated and time-consuming and therefore it is recommended that budgeted value be maintained whenever possible. Materials not disbursed as estimated during the current month (Model – April 1988), are carried over to the following one to be used for consecutive improvement loans.

The borrower, however, is charged with the building materials actually disbursed.

## 7. *Monthly statement of approved and executed loans (form PM 7)*

The monthly statement of approved and executed loans is prepared by the project's accountant on the last working day of each month, based on the approved budget and the up-date disbursement to borrowers who have not yet completed construction.

The monthly statement enables the project director to determine disbursement effectiveness and the value of materials in stock. This can later serve as an instrument of verification to compare with the audit results or ledger cards of the accountant.

## 8. *Evaluation of loans approved for house improvement (form PM 8)*

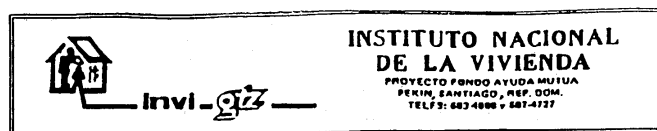
The evaluation of loans approved is an essential monitoring instrument to determine the degree achievement of the project's objectives in terms of the target group, its access to improvement loans and the monthly repayment burden. It also summarizes the use of loans and permits evaluation of improvement types and their costs.



This form is filled in by the social worker and verified by the accountant at the beginning of each month. It is then evaluated by the project director and discussed, as far as necessary, with the Team during the planning session at the end of the month.

**Observation on the Loan Evaluation April 1988 (PM 8 - Model)**

- a. The employment structure of approved applicants is typical for squatter settlements and does not indicate concentration in any specific branch. The share of permanent employees (public and private sector) is 30.4 per cent or somewhat higher than the average (24.6 per cent).
- b. Average monthly income of borrowers is \$RD626 (\$US 100.15). Evaluation of income distribution shows that 34.8 per cent have an income equivalent to a minimum wage of less, 39.1 per cent, one to two times minimum wage and 26.0 per cent, two to three times minimum wage. The income distribution of borrowers indicates that in April 1988, the project has achieved its goal of reaching the lower, though not the lowest-income households in Pekin.
- c. Average loan value of \$RD3089 (\$US486.50) corresponds to the average of the previous months \$RD3000).
- d. The monthly quota of \$RD117. 10 (\$US18.44) or 18.3 per cent of income on the average indicates a heavy repayment burden for the lower-income households. Although the project should attempt to minimize the loan recovery period (average 2.67 years) in order to diminish inflation and subsidy impact, it should also avoid repayment quotas the poorer households cannot afford.
- e. The use of the loans indicates that nearly 70 per cent of the borrowers intend to extend the house, which is in line with the project's policy of expanding habitable residential space and reducing the residential densities of the squatters.
- f.
  - Loan Nos. 120 and 126: the social workers could not verify income beyond doubt.
  - Borrower 115 has withdrawn his application after approval.
  - The income determined for borrowers 123, 127, 130 and 135 is an average.



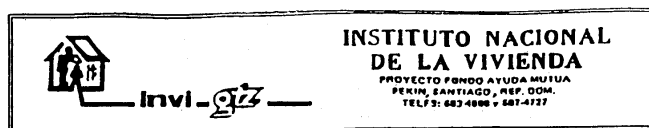
**HOUSE IMPROVEMENT LOAN PROGRAMME (PM 6)  
MONTHLY LOAN- PROJECT LIST**

MONTH/YEAR 4/88

PAGE NO. 1

No.	Loan No.	Estimated Value Budgeted	Adjusted Executed Value
1	050	978	880.20
2	052	1,622	1,620.14
3	054	3,250	3,250.00
4	055	1,095	1,098.46
5	056	4,232	3,385.60
6	057	2,986	3,121.72
7	058	8,000	7,214.21
8	059	2,814	2,673.30
9	061	605	605.00
10	062	3,016	2,804.88
11	063	2,820	2,735.46
12	064	861	783.51
13	065	3,645	3,645.70
14	069	2,773	2,412.51
15	078	4,002	4,000.00
16	085	2,207	2,008.37
17	086	3,123	3,060.54

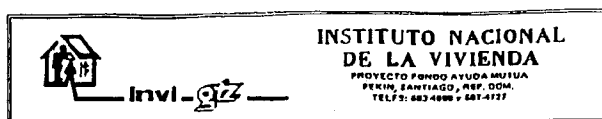
18	088	5,016	4,815.36
19	089	2,017	2,013.22
20	095	3,326	2,893.62
<b>Total</b>		<b>58,388</b>	<b>55,021.80</b>



**HOUSE IMPROVEMENT LOAN PROGRAMME (PM 7)  
MONTHLY STATEMENT OF APPROVED AND EXECUTED LOANS**

MONTH/YEAR 4/88 PAGE 1

No.	Loan No.	Budgeted Value	Executed Value	Balance	Observations
1	053	2,860	2,574	286	
2	060	607	302	305	
3	067	1,429	1,072	357	
4	068	3,520	-	3,520	Budget should be revised
5	070	985	120	865	
6	071	4,600	430	4,170	
7	072	1,421	-	1,421	
8	073	7,850	6,210	1,640	
9	074	3,100	1,027	2,073	
10	075	1,072	911	161	
11	076	920	-	920	Borrower retired
12	077	1,433	1,075	358	
13	080	2,950	738	2,212	
14	081	1,115	-	1,115	Borrower has died
15	083	8,000	4,800	3,200	
16	087	3,020	2,567	453	
17	090	2,876	1,438	1,438	
18	098	640	320	320	
19	099	3,130	1,530	1,600	
20	103	2,848	3,125	- 277	Urgent evaluation; borrower has overdrawn materials
21	104	3,006	1,006	2,000	
22	105	418	200	218	
23	106	7,630	1,150	6,480	
24	108	2,766	922	1,844	
<b>Total</b>		<b>68,196</b>	<b>31,517</b>	<b>36,679</b>	<b>(46.2 %)</b>



**HOUSE IMPROVEMENT LOAN PROGRAMME  
EVALUATION OF LOANS APPROVED FOR HOUSE IMPROVEMENT (PM8)**

MONTH 4 Year 88

No.	Date	Loan No.	Employment Borrower	Monthly Household Income	Declared monthly income	Loan Value	Monthly Quota	Quota as % of Income	Loan Period	Use of loan
1	4.4	112	Casual	380	360	2,200	43.67	11.5	2.5	Repair roof
2	4.4	113	Foreman	1,100	1,100	7,400	202.22	18.4	4.0	Reconstruction house
3	4.4	114	Emp. - Gov.	500	600	3,100	123.06	24.6	2.5	Extension 2 rooms
4	5.4	116	Gardener	270	270	900	55.72	20.6	1.5	Repair roof, door, window
5	5.4	117	Bar owner	1,360	1,600	8,000	273.42	20.1	3.0	Reconstruction house

6	7.4	118	Emp. Gov.	400	400	2,000	79.40	19.8	2.5	Repair general
7	7.4	119	Shopkeeper	850	850	3,500	168.05	19.8	2.0	Extension 2 rooms
8	11.4	120	Housewife	180	180 ?	750	36.01	20.0	2.0	Repair roof
9	13.4	121	Emp. Priv.	550	550	2,800	111.16	20.2	2.5	Extension 1 room
10	8.4	122	Electrician	800	800	2,600	160.98	20.1	1.5	Extension 2 rooms
11	15.4	123	Casual	600	400-600	2,100	100.83	16.8	2.0	Repair and extension
12	18.4	124	Magician	1,000	1,200	4,700	225.66	22.6	2.0	Reconstruction
13	21.4	125	Emp. Gov.	400	400	2,400	82.03	20.5	3.0	Extension 2 rooms
14	18.4	126	Shopkeeper	1,400	1,400 ?	6,200	211.90	15.1	3.0	Reconstruction
15	22.4	127	Casual	450	400-500	4,200	91.60	20.3	5.5	Extension 2 <sup>nd</sup> floor
16	20.4	128	Servant	215	215	1,200	41.01	19.1	3.0	Repair
17	20.4	129	Emp. Priv.	630	630	4,200	127.06	20.2	3.5	Extension 3 rooms
18	26.4	130	Casual	900	900-1,000	4,500	216.05	24.0	2.0	Extension 2nd floor
19	13.4	131	Carpenter	340	340	800	38.41	11.3	2.0	Repair floor
20	19.4	132	Emp. Gov.	415	415	1,300	44.43	10.7	3.0	Repair general
21	26.4	133	Mechanic	750	750	3,300	131.00	17.5	2.5	Extension 2 rooms
22	26.4	134	Emp. Priv.	300	300	900	35.73	11.8	2.5	Construction foundations
23	22.4	135	Tailor	615	600-700	3,100	93.79	15.2	3.5	Extension 2 rooms
<b>Total</b>				-	-	71,050	2,693.23	-	-	
<b>Average</b>				626		3,089	117.10	18.3	2.67	



### C. Making the project known

During the project's preparation stage, the Team discussed in detail how to inform the residents of Pekin about the loan scheme. Several strategies have been outlined, including:

- Information campaign through radio and television;
- Announcing vehicle with loudspeakers circulating through the streets of the settlement and informing the residents about the scheme;
- Distribute an information pamphlet to all households in the settlement;
- Information meetings with the residents of a certain street or block in one of the public buildings available (church, school, club etc.);
- Information meetings in cooperation with existing local organizations active in the settlement.

In fact, all these information channels have been tried in the first stage of the project.

Prior the opening of the project's field office, several meetings were held with the representatives of resident and church organizations, unions and clubs to inform them about the scheme and its objectives, loan conditions, accessibility etc. Most of the leaders or key people are well known or easy to identify. Others were mentioned by the people initially contacted such as clergy, local teachers, the president of the residents association, etc.

As often happens in such projects, the first meetings were attended by a great number of people who listened politely to the explanations of the team but did not believe what they heard, as they are accustomed to all sorts of promises made by politicians and public institutions. Nevertheless, they agreed to arrange information meetings with their members (churches, clubs) and with the residents, street by street, to inform them in detail about the project and answer the questions of those interested.

Experience has shown, though, that it is not advisable to hold too many such meetings. Whereas some 60 people participated in the first one, the number rapidly decreased in the following gatherings. The informal communication and information system in the squatter settlement functions efficiently and does not require external incentives.

Also, the other instruments or means of communication have a limited validity. Short announcements on the radio telling about the project and inviting interested people to visit the field office and obtain more information need to be repeated for weeks and may prove costly. In the present case, however both radio and television stations are Government-owned and the responsible people are sympathetic to the project and agreed to publicize the scheme free of charge.

The vehicle with loudspeakers which was sent around brought some interested people to the office, but the most effective means of making the project known is the project itself. That is to say that once the loans are disbursed and the houses are improved, the neighbours and other residents will visit the borrower, ask about the credit and come to the field office for further information. As the proverb has it, "There is no success like success".

#### **D. The processing of loan applications**

The processing of loan applications requires a rational system and efficient management monitoring in order to avoid excessive delays and unjustified administrative costs as a result of inadequate allocation of personnel and the loss of confidence in the project by the applicants/borrowers.

For that purpose, a flow chart and the respective forms have been prepared by the project advisers and the team had been trained prior to the project as well as on-the-job in the process of implementation. The processing of loan applications are controlled by the project's monitor (adviser).

##### **1. Implementation control (form LA1)**

The processing of loan applications is controlled by the corresponding implementation control sheet, attached to the newly opened file. Date, signature and observations are entered by the responsible Team member upon completing each activity. The control sheet, therefore, enables him/her to identify immediately the status of an application and the approved loan under implementation at any time, as well as its location.



#### **What is the House Improvement Loan Fund?**

It is a fund which enables the improvement of houses in the settlement of Pekin and the southern zone of Santiago. It permits low-income families to improve, extend and reconstruct their houses through loans offered at favourable conditions.

### **Who lends the money?**

The fund has been contributed by the German Society for Technical Cooperation (GTZ) and is administered by the National Housing Institute (INVI).

### **Who may apply for a house improvement loan?**

Heads of households who:

- are residents of Pekin
- have a stable family
- possess a proper house
- have a right to the plot (not necessarily a title!)
- have a stable work (not necessarily employees)
- have a payment capacity and can afford the loan

### **For which purpose can you borrow?**

House improvement loans are granted for the purpose of:

- construct house foundations
- improve and/or construct floor
- improve and/or construct walls
- improve and/or install doors and windows
- improve and/or construct sanitary facilities
- extend or reconstruct the entire house

Loan applications shall be evaluated by the Project's Technicians in order to determine possibilities and elaborate the budget.

### **Loan Conditions**

Credits are granted in the form of building materials and not in cash. Disbursement of materials is by party, according to construction development. In case that borrower has no experience in construction or does not have the time, the loan may include also labour costs.

### **The Amount of the Loan**

The amount of the loan depends on the payment capacity of the borrower and the costs of improvement. Interested persons who cannot afford the entire improvement planned at once, may partially repair or extend the house. Once they have paid the loan they may apply for the following one.

<b>Type of Loan</b>	<b>Loan Amount (up to)</b>	<b>Loan Period (up to)</b>	<b>Monthly Payments</b>	<b>Minimal monthly income necessary</b>
1. Minimal - Progressive	500-1,000	1.5 years	31-62	120-240
2. Basic-Progressive	1,100-3,000	2.5 years	44-119	220-600
3. Extension	3,100-5,000	3 years	106-171	530-755
4. Reconstruction	5,100-8,000	6 years	119-186	560-930

### **Loan Security**

Applicants who possess a title of deeds or a lease contract with the municipality must sign a mortgage contract. Applicants who do not possess title or lease contract may sign a Notarial Promissory Note. Loan repayment begins one month after the ultimate disbursement of materials.

### **Additional information and applications**

For additional information and to fill-in application forms, please visit the project office in the Avenida de los Jazmines - corner calle El Sol in the settlement Pekin, Monday to Friday - from 8.30 a.m. to 7.00 p.m.

# HOUSE IMPROVEMENT LOAN PROGRAMME

## THE PROCESSING OF LOAN APPLICATIONS

### MORTGAGE LOAN

