



**Terwilliger Center for  
Innovation in Shelter**

*Building and expanding inclusive housing markets*

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# STATE OF HOUSING MICROFINANCE IN THE PHILIPPINES

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In partnership with



A woman with long dark hair and glasses, wearing a pink and white patterned shirt, stands in front of a green metal cage filled with various snacks and candies. The cage is part of a Sari Sari Store. To the left, there is a large banner for 'Milled Rice' featuring a cartoon character and the text 'Milled Rice'. The woman is smiling slightly and looking towards the camera.

Nanay Nancy, 48

5 Household Members

600 pesos per day  
Sari Sari Store





## Housing Need

House damaged by fire

Limited space

Sub-standard walls

No bathroom door and  
ceilings

Soft title

Loan received

₱ 40,000

Tenure

12 months

Monthly Repayment

₱ 4,000

# Nanay Nancy

is just **one**

of the

**328, 114 Filipinos**

who was able to access  
housing finance through  
an MFI



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# MARKET CONSTRAINTS

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## **Housing Finance**

Lack of access to affordable financing for home improvements and repairs



## **Land Tenure Security**

Lack of legal documents to prove land ownership to mortgage lenders



## Mortgage Financing

## Barriers for Poor to Access

<b>Loan Size</b>	USD 10K and above	Repayment affordability
<b>Underwriting</b>	Formal Income Documentation	Informal / Hybrid Income
<b>Land Tenure</b>	Formal land titles	Semi and informal titles



# OUTREACH

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31%

15 out of 49 of MCPI-member MFIs offer a  
**HOUSING MICROFINANCE PRODUCT**





# INFORMATION PROVIDERS

SUPPLY  
STUDY

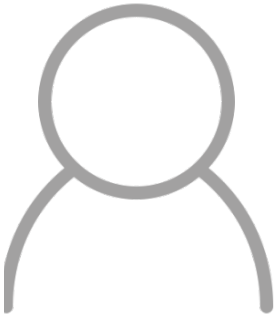


DEMAND  
STUDY



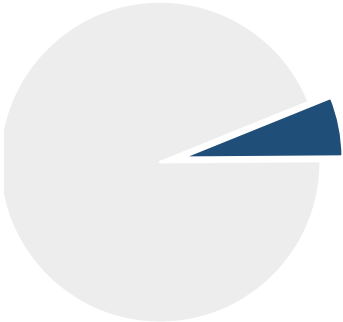


# OUTREACH



**5%** 328,114 out of  
7.2 M borrowers

**Active Borrowers** avails HOUSING  
MICROFINANCE



**6%** PHP 2.7 B out of  
PHP 48 B

Total **Loan Portfolio** is spent  
for HOUSING MICROFINANCE

**₱ 8,000**  
Average Loan Size amount  
HOUSING MICROFINANCE



# MARKET RESEARCH

10,786

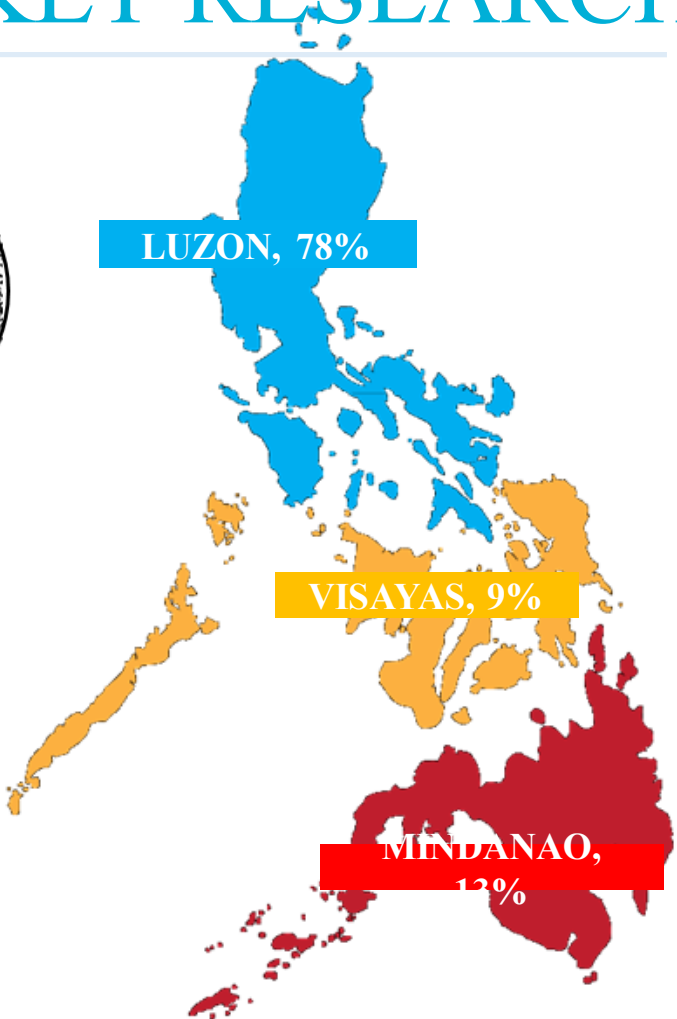
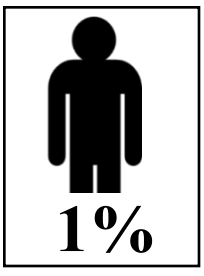
FILIPINO  
HOUSEHOLDS  
INTERVIEWED



70%



30%



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# MARKET POTENTIAL

on the next three (3) years

88%

plans to  
improve their



85%

interested to loan  
through **Microfinance**



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# PREFERRED LOAN FEATURES

LOAN SIZE

₱ 48,000

LOAN TENURE

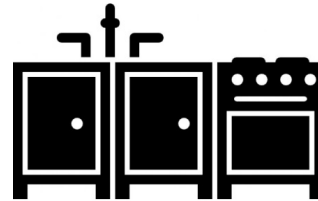
24 months

INSTALLMENT

₱ 2,000

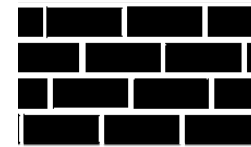
INTENDED LOAN UTILIZATION

21 %



Kitchen

20 %



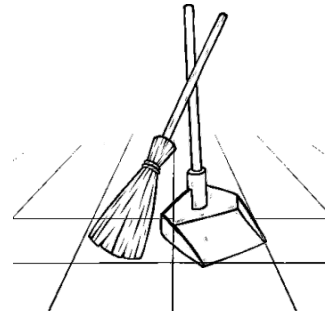
Wall

18 %



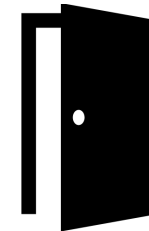
Roof

14 %



Floor

14 %



Room

11 %



Toilet

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# CONSTRAINTS & OPPORTUNITY

## CAPABILITY BUILDING

### NEEDS



Product Development

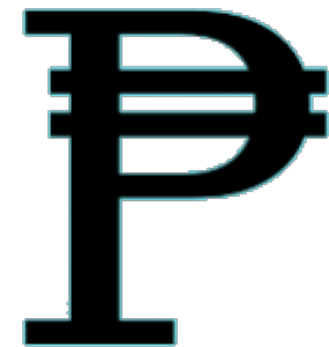


Technical Knowledge on HMF



Marketing and Promotion

## CAPITAL



PHP 276 Billion

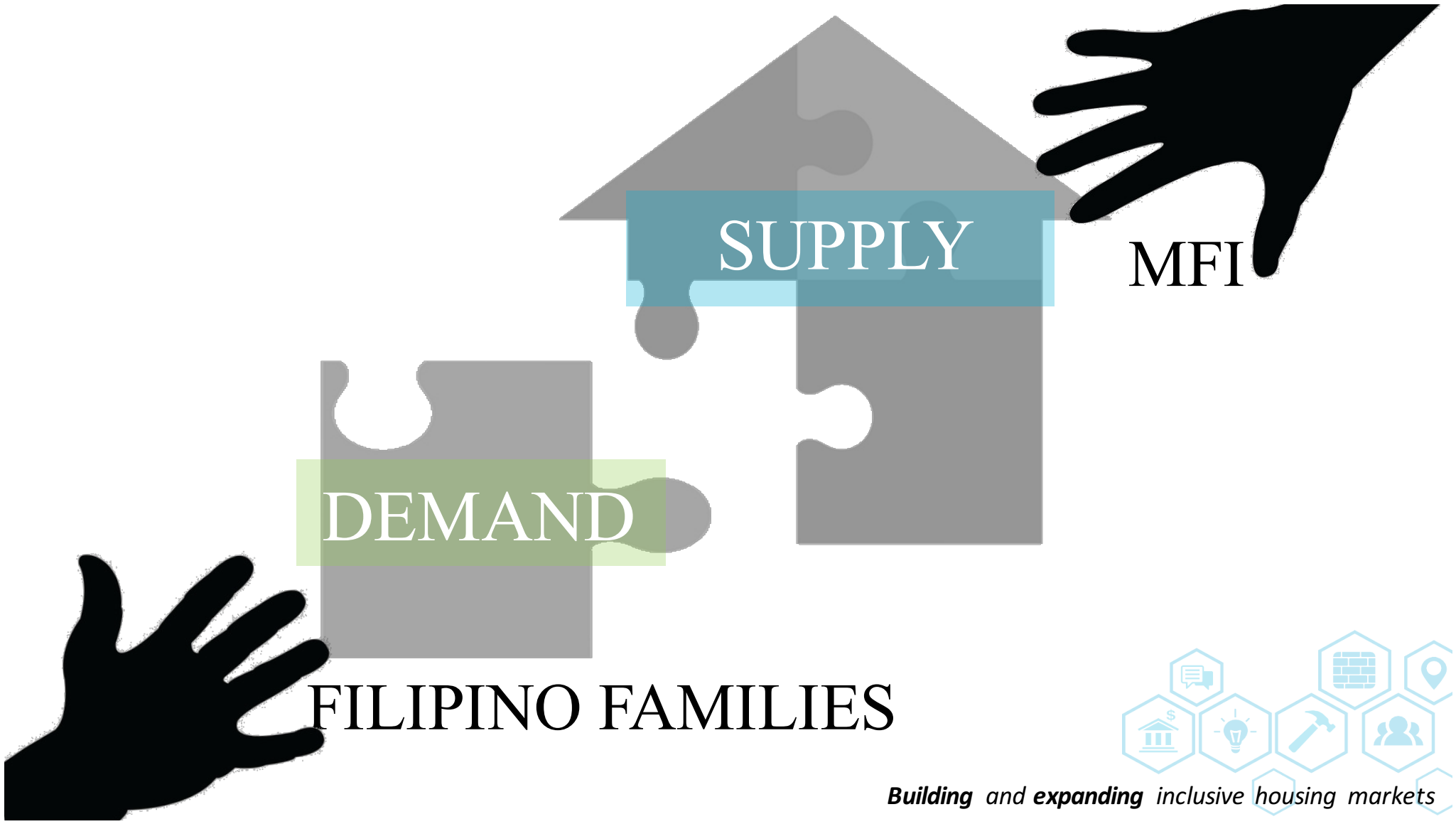
6.2 million clients

Average Loan Size P48K



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SUPPLY

MFI

DEMAND

FILIPINO FAMILIES



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**Thank you!**

**Naeem Razwani**

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Terwilliger Center for Innovation in  
Shelter

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