Issues

### Bank
- No clear title – collaterals
- KYC requirements
- Poor credit profiles
- Lack of documented income proof
- Lack of permanent residence / locations
- Long term loans required
- High operating costs
- If there is money Banks will get in

### MFI
- Higher degree of difficulty
- Difficult to create groups
- Long term loans
- ALM issues
- Cost – not sustainable in long-term
- Good for improvement loans

Examples

**Bulk Model** – India – Mumbai - SPARC

**Cost to the beneficiary** – Free

**Funded by** – Sale of Transferable Development Rights (TDRs)

**Banks involved** – ICICI Bank, Citi, NHB, Axis Bank

**Issues** – more specific to Mumbai

**Subsidies** – Whole cost is subsidised – but at no direct cost to Government

**Key Support players**
- Few banks, Homeless International, few international agencies
Examples

India – Retail Model
Kudumbashree – Government programme
Units funded – Over 100,000 (by 15 Banks)

Subsidy involvement
• In building capacities
• Group formation, training, aggregation
• Delivery and administration

Example

South Africa – Rental – JHC
Cost to the beneficiary – Rent
Funded by – Loans/Grants
Issues – Good rent collection methods/systems

Subsidies
Part of the project cost (to the extent of 40 to 50%)
Key enablers

Bulk Models
- Bridge funds – to supplement lack of equity
- Credit enhancements – to absorb uncertainties – mostly not-for profit outfits

Retail Models
- Indirect subsidies – by capacity building
- Delivery costs

My Learning
- No Single solution – even with in a single country
- The way forward is to look at good models, showcase them and try to scale
- Keep the models and discussions simple and straightforward
- Do not analyse too much – take reasonable risks
- We can not solve all problems together – focus on what you have decided to focus