

STATEMENT BY THE NATIONAL HOUSING DEVELOPEMENT TRUST

March 2016

The National Housing Development Trust (NHDT) is happy to announce the following updates, as it relates to its ongoing Housing Programmes.

1. **Affordable Housing Initiative (AHI) Programme** - The AHI programme has been designed to assist low income Caymanians with the purchase of the affordable houses, as constructed by the NHDT. Below are some of the most recent developments for this programme.

NHDT New Affordable Housing Status Report - Mar 2016						
AHI House Status	Bodden Town	East End	West Bay	Windsor Park	Grand Total	Comments
Sold	10	10	11	7	38	Houses Sold Outright
Tenants under Lease & Ownership Agreements	1	-	17	19	37	Current Affordable Housing Tenants
Applicants Pre-Approved by Banks	5	-	1	-	6	Bank Pre-Approval - in process of finalizing
Applicants Pursuing with Banks	2	2	6	-	10	AHI Applicants pursuing mortgage financing with banks.
Available	2	-	1	-	3	Houses to be re-assigned as applicants withdrew their applications
Grand Total	20	12	36	26	94	

- **New Affordable Houses Sold** – A total of 94 houses were built between 2010 and 2013. A total of 38 have been sold by way of outright purchases; 22 were sold to new AHI Clients and 16 sold to existing AHI Clients that previously had a lease-to-own or a rental arrangement.
- **Houses Assigned to Tenants** - Under this initiative there are 37 Affordable Housing Tenants that have also been given the opportunity to own their houses. Our records reflect that there are currently approximately 12 Tenants that are currently being assisted in seeking mortgage financing, via the local banking institutions, to purchase the house they currently occupy.
- **Affordable Housing Applicants with Banks** – There are currently 16 Affordable Housing Applicants pursuing their mortgage financing with the local banks. To date, 6 Applicants have been pre-approved by the Banks and are in process of finalizing. The remaining 10 Applicants are awaiting a decision from the banks.

- **Available Houses** – There are currently 3 available houses (2 located in Bodden Town & 1 in West Bay). These houses were previously assigned to applicants however they have withdrawn their applications as they were not successful in obtaining mortgage financing. NHDT is now re-assigning these houses to other applicants.
 - **The Way Forward** - NHDT has taken the position to continue to receiving applications for affordable houses and will use this approach to further develop, based on demand.
2. **Government Guarantee Home Assisted Mortgage (GGHAM) Programme** – The GGHAM programme has been established to assist Caymanians in purchasing their first home for up to \$200,000, whereby the Cayman Islands Government (CIG) stands the guarantee of up to 35% of the mortgage. Below is a brief summary of this programme.
- **Approved Facility** - In 2008, the CIG partnered with six local banks to provide home assisted mortgages, whereby a total of \$65 million was approved to assist Caymanians with mortgage assistance. Of the \$65 million approved a total of \$59 million was drawn for 327 successful applicants with a calculated guarantee of \$20.5 million.
 - **Ongoing Administration - Approved Loans** – NHDT is the administrator of this programme would like to highlight the following as it relates to the first batch of mortgages approved.
 - **Loans Released** - A total of 52 mortgages have been released from the programme, as the applicants secured refinancing or paid off their loan facility in full.
 - **Default Loans** - As with any financial institution, there are associated risks due to defaults. As of December 2015, the CIG maintained its commitment by settling the demand for six clients that defaulted in the sum of \$290,000.00. This pay-out is interpreted as 1% credit risk on the overall Government Guarantee and is significantly low in comparison to the equivalent loan facility as issued independently by local financial institutions.
 - **Administration of Delinquency** – NHDT has taken a proactive approach in providing the relevant counselling to clients that have fallen into delinquency, with hopes of addressing matters before they are further pursued in the default process.
 - **Measured Success** – The fact that this programme has facilitated 327 families with a 1% default pay out risk, is an indication of its success. This is a credit to the CIG and the participating banks in undertaking an initiative that has been beneficial to our community and the economy.
 - **Review of the GGHAM programme** –The renewal of the GGHAM programme, since it was last announced, has been ongoing. The CIG has made the relevant

arrangements to have this initiated and is now waiting on feedback from the participating banks.

A public notice and update on the NHDT programs and initiatives will be made available to advise the prospective applicants of the updated criteria. For more information, please contact NHDT at 945-7649 or alternatively please stop by our office at the Cayman Centre that is located across from the Airport Post Office.

NHDT Going Forward

Now that NHDT is aligned with the mandate of homeownership it continues to:

- Concentrate its efforts to address the liability faced with the remaining 20 Old Affordable Houses,
- Find ways to conserve costs,
- Finalise the sale of the affordable houses that remain on the books of NHDT,
- Provide housing opportunities with the GGHAM and Build on Your Own Property (BYOP) programmes,
- Initiate carefully planned home construction projects, based on proven demand, which will assist Caymanians with the desire to own their own home.

Members of The National Housing and Development Trust Board.

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