



Micro Housing Finance Corporation: Debt Profile

- USD 40Mn of term (3 to 15 years) loans outstanding
- Source of debt:
 - 40% from the National Housing Bank (Regulator)
 - 45% from Commercial Banks
 - 15% from other Financial Institutions
- Gets subsidised rates from the Regulator for customers that fit certain criteria



Challenges of Long Term Debt in India

- Availability (new business, segment credibility untested, long term nature of assets, security enforcement)
- Expensive debt; slow transmission of lower rates
- Lack of depth in over 10 year commercial debt markets
- Limited access to debt capital markets (CPs, NCDs etc)
- Customers want interest rate stability (fixed) - not available