



May 29, 2015

### **The SBP conference on affordable housing paves the way for a grand alliance between the public and private sector**

The two-day International Conference on Affordable Housing & Mortgage Finance organized by State Bank of Pakistan (SBP) was concluded today in Islamabad. The Prime Minister, Mian Muhammed Nawaz Sharif, graced the occasion. The Prime Minister evinced keen interest in the deliberations of the conference and offered his candid comments. He reaffirmed the Governor State Bank's reference to the fact that it is a formidable task and that a journey of a thousand miles begins with a step. The PM appreciated the work and directed the SBP to refine its proposal broadening its scope by including both the formal and informal sector. Further, citing his own experiences in the past, he advised SBP to involve housing experts and come up with a comprehensive proposal for his approval so that the vision of affordable housing could be given a real impetus under his leadership.

The major gain of this international conference marks the beginning between the government and the banking sector to accomplish the gigantic task of new cities with all the basic amenities in the spirit of inclusive development. 'We want to build dignified houses for the downtrodden and not become a party to the perpetuation of a ghetto culture in the cities and suburbs,' he remarked. The Prime Minister pledged his unequivocal support for the initiation of this task by providing his full support for an effective legislative framework and public sector cooperation.

The concluding session was marked by an interactive discourse among the Prime Minister, Finance Minister, SBP officials and the international experts which is a welcome departure from a more generally formal template of the concluding sessions.

Earlier, the Finance Minister, Senator Muhammed Ishaq Dar while giving his remarks said that the government has already taken steps to develop mortgage industry and promote housing finance. In this regard, he mentioned the creation of Pakistan Mortgage Refinance Company with a significant share of government in its equity. The government has also initiated a Housing Finance Credit Guarantee Scheme, he said. The Finance Minister cited the global examples where foreclosure laws have helped to promote housing finance. He assured that the government would accelerate the process of foreclosure law to be passed from the parliament to give effective protection and stimulate housing finance by the financial institutions without any hesitation.

The Governor, State Bank of Pakistan, Ashraf Mehmood Wathra, in his welcome remarks sought Prime Minister's support to accelerate the process to bring in a legislative framework to address the well known issue of repossession and recovery which is a pre-requisite for providing mortgage finance to a borrower. This, he said, is central and the first step to realize the vision of affordable housing for the poor and low income segment of the population. The Prime Minister expressed his consent to the Governor's suggestion and instructed Ministry of Finance, later on, to accelerate the process. The Governor appreciated the valuable



## External Relations Department

---

contribution of international experts who brought in their valuable insights and shared their experiences.

The Deputy Governor, Saeed Ahmed, recapitulated the two day deliberations of the conference and highlighted the issues and challenges facing Pakistan to address the growing challenge of housing for the lower income groups. He emphasized that all avenues including public/private partnership is to be used to achieve the objective of filling the gap and meeting the demand.