

**MÉXICO**  
GOBIERNO DE LA REPÚBLICA



Instituto de Seguridad  
y Servicios Sociales  
de los Trabajadores  
del Estado

**FOVISSSTE**

# Mexican Housing Day 2013

Fondo de la Vivienda del ISSSTE

## What is FOVISSSTE?

FOVISSSTE is the Mexican government agency created in 1972 to meet the demand for housing credit for most of the country's public workers.

## II. Founding objective:

- Provide mortgage loans to 1.5 million public workers from the federal government.
- Preserve the inflation-adjusted value of housing savings of those workers who have not received a loan.

### III. How is it funded?

- Contributions of 5% of the basic monthly salary of each worker.
- Loan collection.
- Investment income from management of excess liquidity.
- Resources obtained from the capital markets by issuing TFOVI's, a 1,335 billion USD program has been authorized for 2013.

## IV. Strengths:

- Housing savings contributions and loan collection are assured, since public workers have low mobility with an average of 30 years of service.
- Loan collection through fortnightly direct payroll deductions of 30% of base salary.

#### IV. Strengths:

- An estimated 1.5 million affiliated workers are distributed in 32 federative entities.
- Standard & Poor's gave to FOVISSSTE an «Above Average» note as «Residential Assets Administrator», as well as one in the highest national scale as «Counterparty».

#### IV. Strengths:

- In only 42 months, FOVISSSTE had obtained 57 «AAA» ratings, due to its 2009-2012 issuances. These rates were given by Standard & Poor's, Moody's, Fitch Ratings and HR Ratings, the four authorized agencies to operate in Mexico.
- Since 2008, FOVISSSTE obtained ISO 9001:2008 and ISO 27001:2005 certifications for its main operating processes.



FOVISSSTE's guiding philosophy, is that in order to adequately fulfill its social mission, it is required to comply with the highest standards of efficiency, quality and rendering of accounts.



## **V. FOVISSSTE actions in the frame of the new National Housing Policy of President Enrique Peña Nieto**

The new policy is centered on the following strategies:

1. Strengthening institutional coordination of programs and activities of land, loans and housing through the Agrarian, Territorial and Urban Development Ministry (SEDATU).

2. Sustainable urban development, through housing loans and subsidies in order to realign urban growth, enhance quality of life in the cities, and recuperate urban spaces through vertical construction densification.

3. Reducing the housing gap (of 9 million homes), by promoting 1 million housing actions in rural and urban areas, of which more than 500,000 correspond to new housing.

4. Alongside the strategy to boost the National Anti-hunger Campaign, the aim will be to improve conditions through 320,000 housing actions in urban and 97,000 rural areas in the 400 municipalities with the highest level of social deprivation in the country.

5. Financement will favor formal economy integration, as well as the incorporation of new contributors in the state and municipal levels.

FOVISSSTE as part of the new National Housing Policy will contribute, within its legal faculties, to goals for the housing sector established by the President.

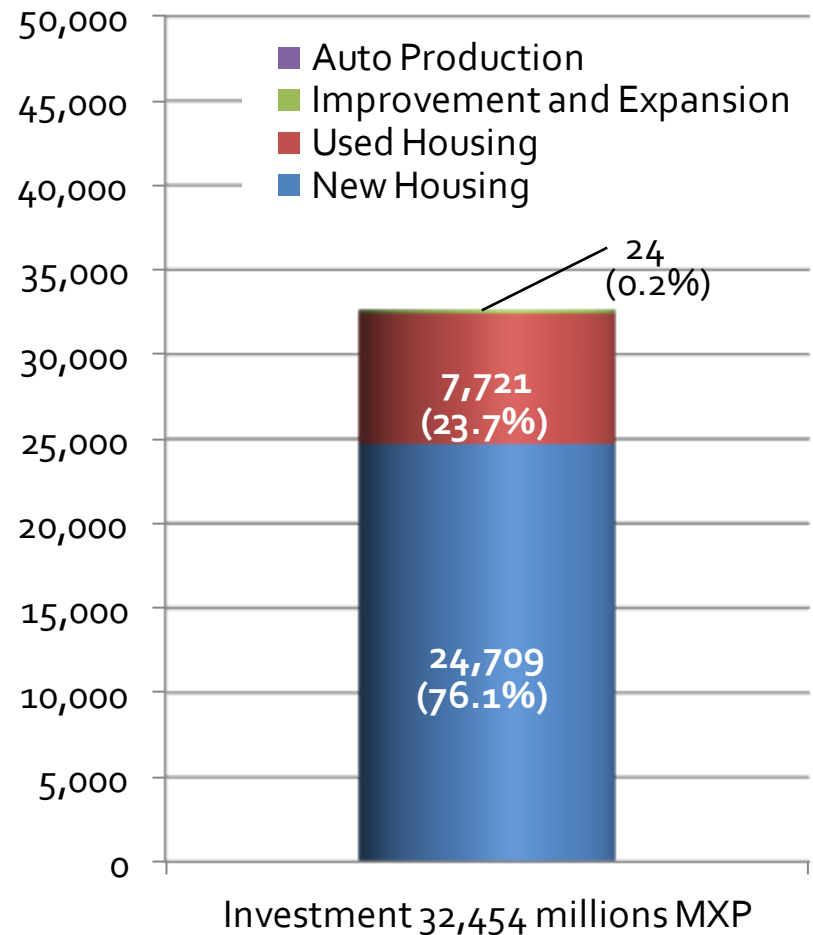
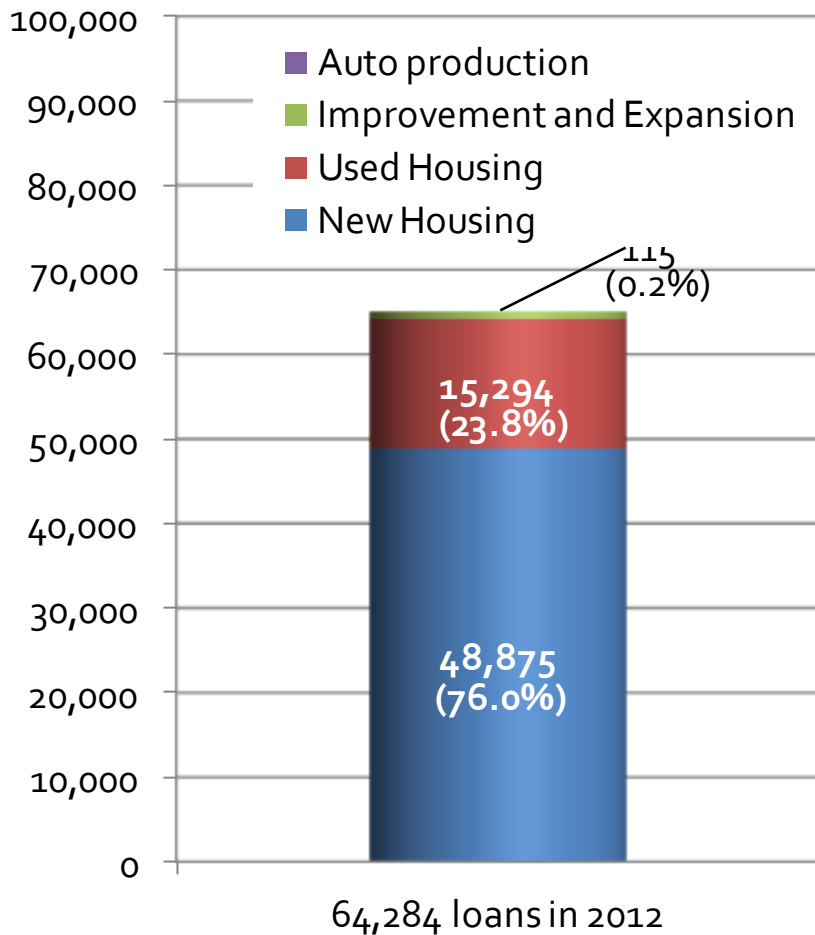
**Our task is to establish the best conditions and ways for the workers of the State to access decent housing and favourable economic terms.**

## Loans distribution 2012

Housing Purchase				Improvement and Expansion		Auto production		Total	
New Housing		Used Housing							
Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)
48.88	24,709	15.29	7,721	0.12	24.46	NA	NA	64.28	32,454



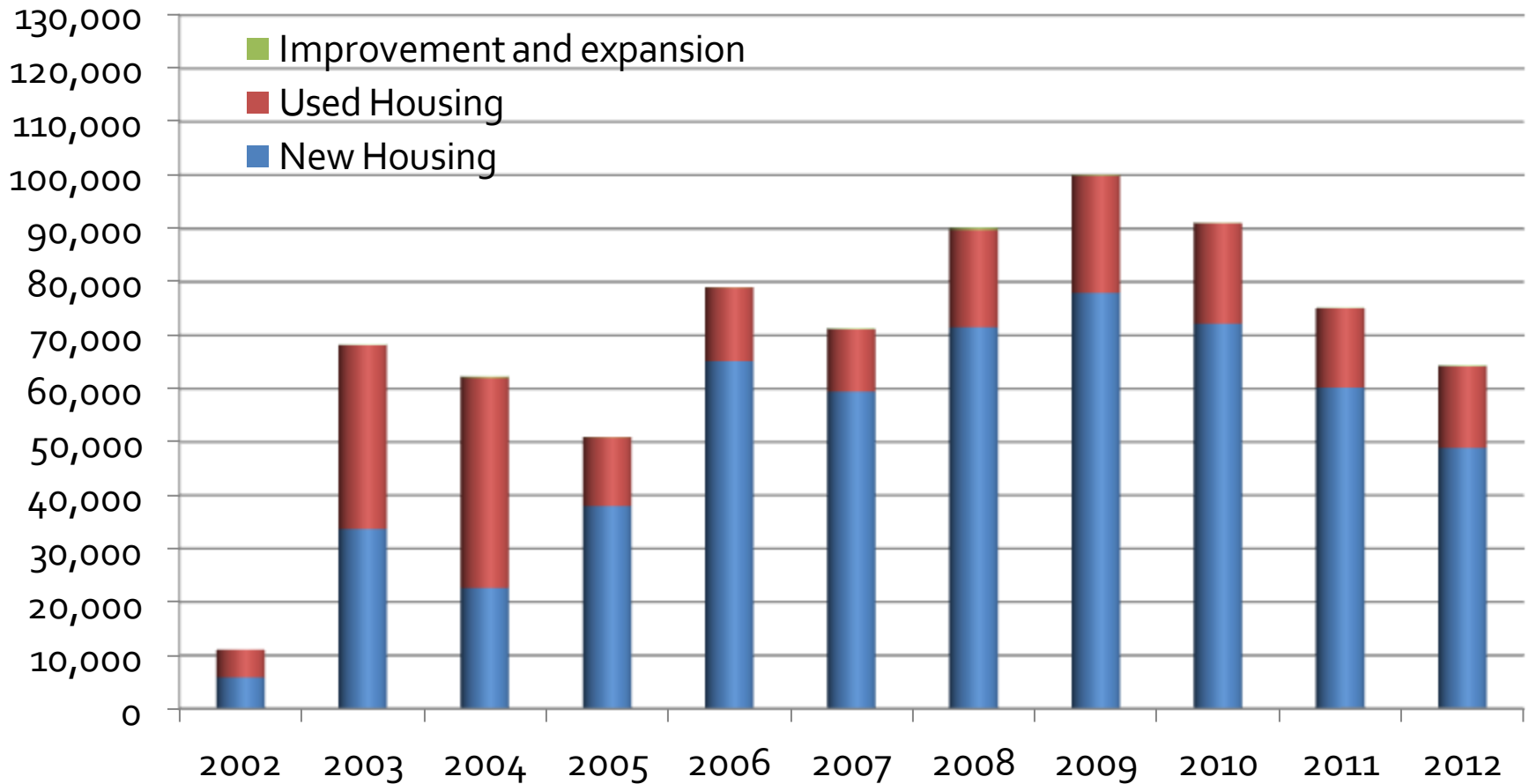
## Loans distribution 2012



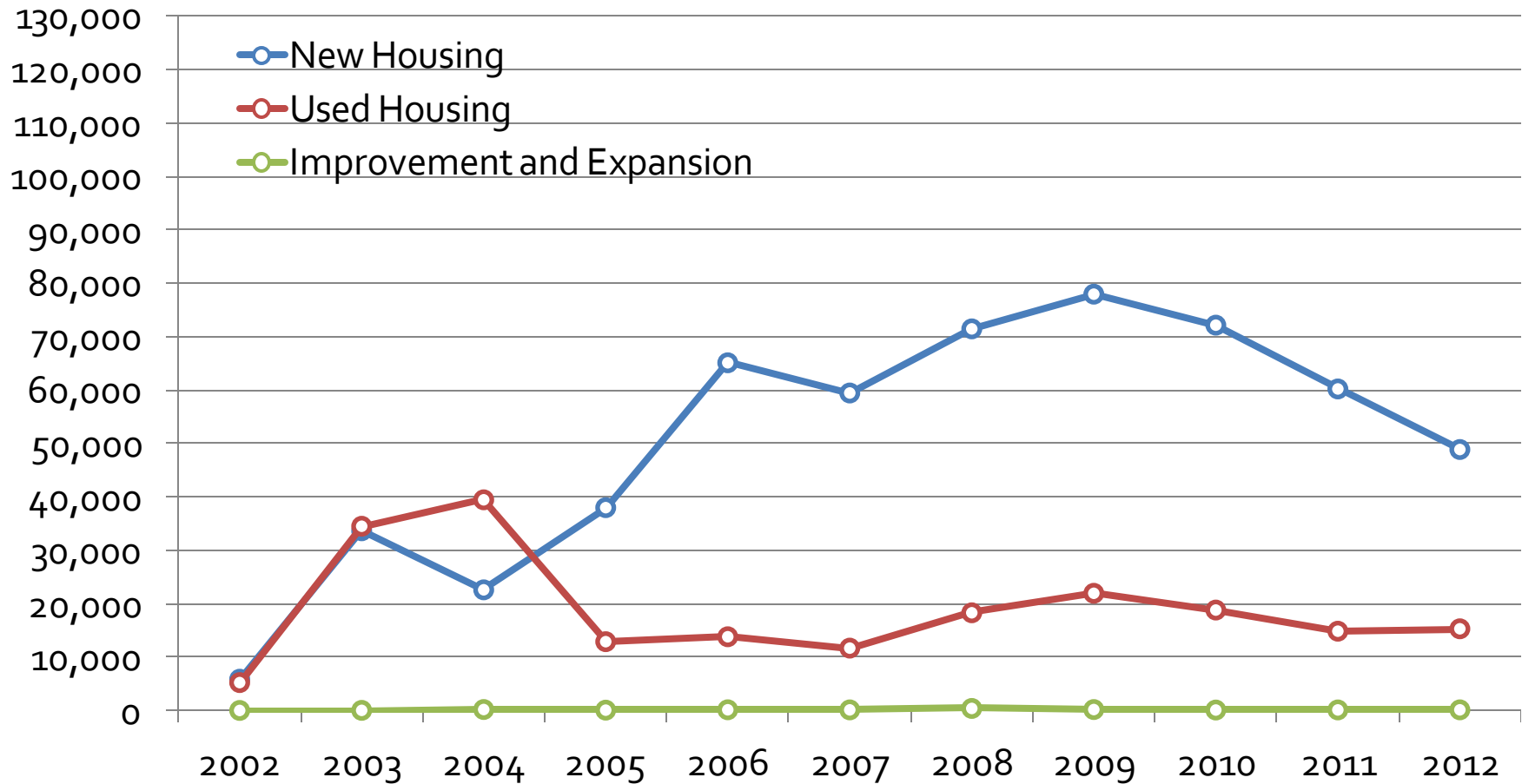
## Loans distribution 2012

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
New housing	5,851	33,651	22,590	37,984	65,120	59,459	71,471	77,971	72,166	60,220	48,875
Used housing	5,217	34,501	29,453	12,881	13,802	11,674	18,292	21,943	18,805	14,844	15,294
Improvement and Expansion	0	16	175	56	125	107	377	168	79	99	115
<b>TOTAL</b>	<b>11,068</b>	<b>68,168</b>	<b>52,218</b>	<b>50,921</b>	<b>79,047</b>	<b>71,240</b>	<b>90,140</b>	<b>100,082</b>	<b>91,050</b>	<b>75,163</b>	<b>64,284</b>

## Loans distribution 2002-2012



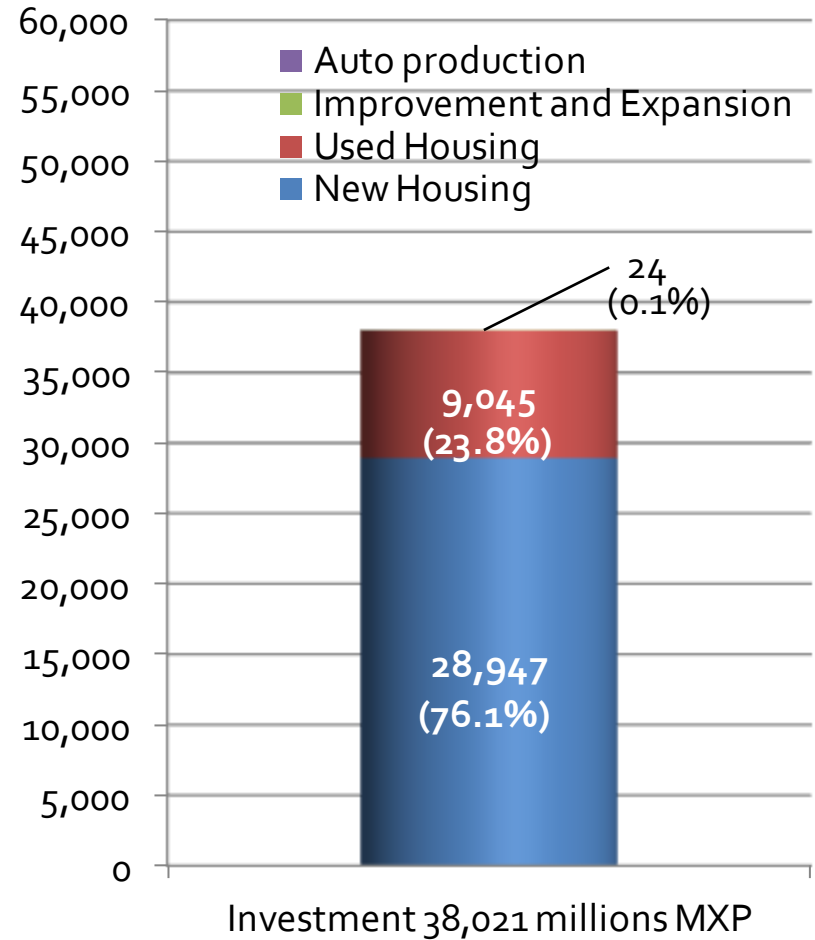
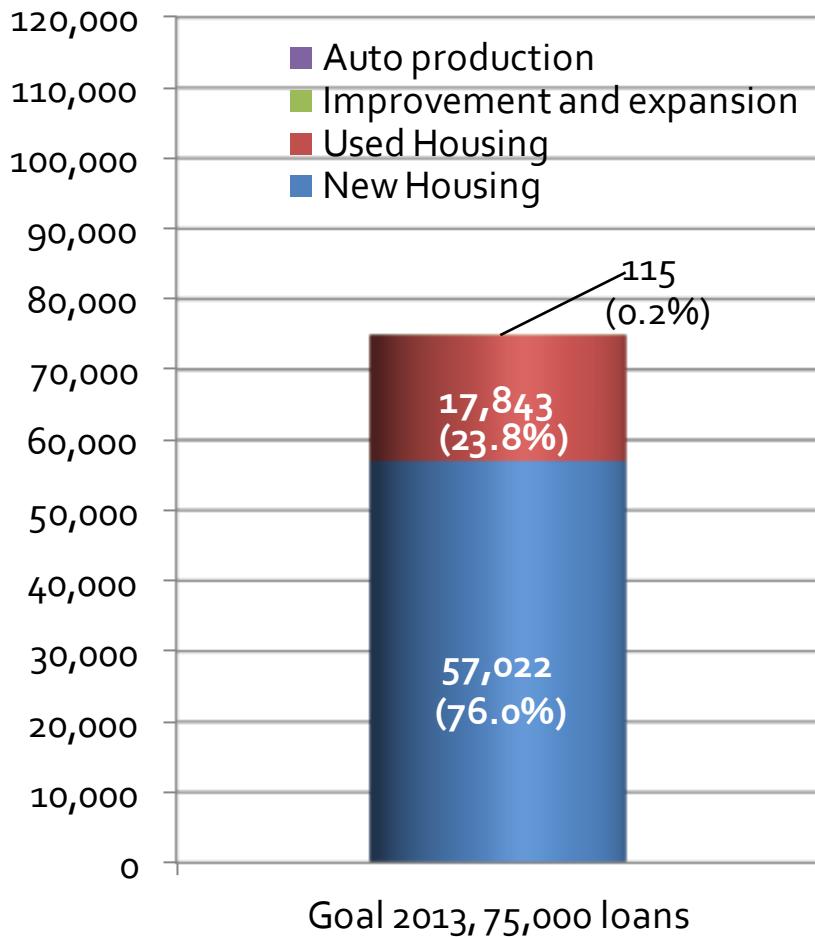
## Loans distribution 2002-2012



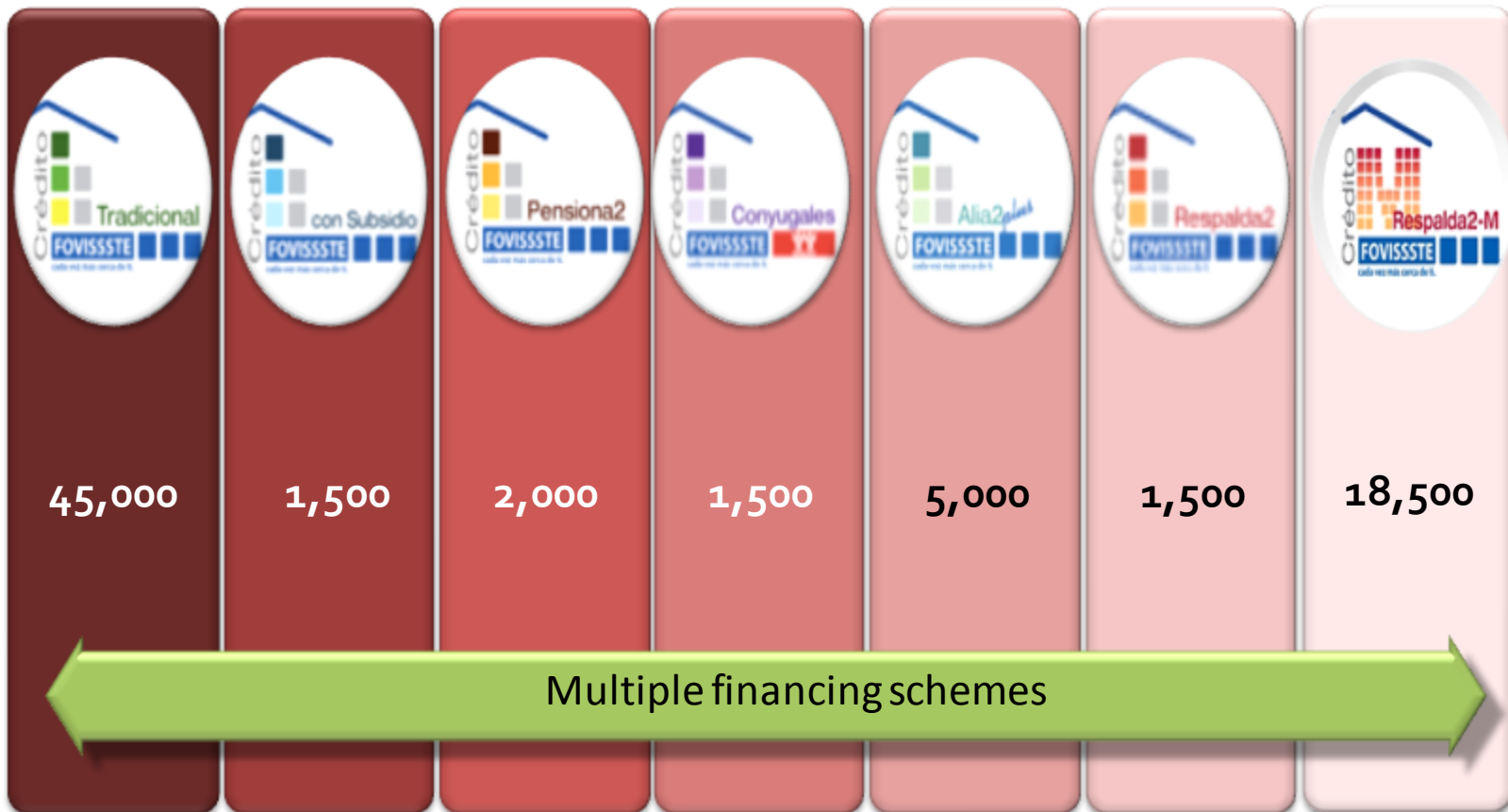
## Goal 2013

Housing Purchase				Improvement and Expansion		Auto production		Total	
New Housing		Used Housing							
Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)	Shares (thousand)	Investment (millions MXP)
57.02	28,947	17.84	9,045	0.13	29	NA	NA	75.00	38,021

## Goal 2013



## Loans financing program 2013



Estimated investment \$38,000 millions MXP



## Final Remarks

The Future we foresee has two alternatives:

- 1. *Current tendency***, keeping a stable housing gap (of approx 1.5 million workers) considering an annual replacement rate in the order of 3% for the following years.

## 2. *Additional Growth:*

- *Second loan*, it is necessary a legislative modification concerning the current Law of ISSSTE.
- *Incorporation of new contributors*, from 1.5 million to 2.5 million not currently attended. Enhancing considerably its capacity for new loans in the coming years.
- *New products*, FOVISSSTE will soon launch Respalda2-M.



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**THANK YOU**

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