
OPIC loan supports expansion of mortgage lending in Armenia

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The Overseas Private Investment Corp. issued the following press release:

A loan from the Overseas Private Investment Corporation Company Profile (OPIC) will enable a mortgage company in Armenia to expand its residential mortgage lending, helping the country close a gap between its growing construction sector and its limited financial services industry.

OPIC has begun disbursement of a \$5 million direct loan to FirstMortgage Company (FMC), a non-banking financial institution based in Yerevan, for a project approved by the agency in June 2007. Proceeds of the OPIC loan will be used to expand FMC's provision of long-term residential mortgage loans for the purchase, construction, refinancing and renovation of homes in Armenia. Nishan Atinizian, owner of FMC and a U.S. citizen, is the principal American sponsor of the project.

OPIC President and CEO Robert Mosbacher, Jr. noted that Armenia's construction sector has grown considerably in recent years - its share of GDP rose 24.5 percent in 2006, and was nearly twice as high as 2004. That fact, coupled with ongoing legal and regulatory reforms to the country's financial services, could augur a new era of economic growth in Armenia. However, the country remains under-banked and its level of financial intermediation low.

"This project will help Armenia to bridge the gap between its growing housing construction industry and its still-underdeveloped financial services sector, by facilitating greater levels of home ownership and the development of its long-term mortgage financing mechanisms," Mosbacher said. "By empowering Armenia's nascent mortgage industry, this project could potentially start a new engine of economic growth in the country."

David Atanessian, CEO of FirstMortgage Company, said, "We are pleased that OPIC and the FMC have joined forces in developing Armenia's emerging mortgage market. This loan will substantially enhance our mortgage lending capability and will enable us to provide our clients with multiple, long term and affordable mortgage lending products".

OPIC was established as an agency of the U.S. government in 1971. It helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers.

OPIC's political risk insurance and financing help U.S. businesses of all sizes invest in more than 150 emerging markets and developing nations worldwide. Over the agency's 37-year history, OPIC has supported \$177 billion worth of investments that have helped developing countries to generate over \$13 billion in host-government revenues and create over 800,000 host-country jobs. OPIC projects have also generated \$71 billion in U.S. exports and supported more than 271,000 American jobs.
